THE FINANCIAL POST

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Be Sure to See

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The Nation's Business

Profits Versus Taxes In Wartime

This week the annual report of Ford Motor Co. of Canada showed that the company had . . .

Increased the volume of business it handled by over $42 millions;

Paid $1.4 million more in income and excess profits taxes;

Earned $1.3 million less for the shareholders.

Ford of Canada is typical of most Canadian companies. They are carrying a very heavy burden of war work. They are paying enormously increased sums in taxation. And they are in most cases earning less money. An article elsewhere shows the tax increase to average over 150 per cent; the profits decline over 2 per cent.

There is no evidence of war profiteering in that. The other day the head of a large Canadian machinery company remarked:

> "We have told the Government that we can take on another $2 millions a year of orders. That may mean an additional profit of $100,000. We will pay $85,000 of that out in taxes, leaving us $15,000. The wear and tear on plant, not to mention the wear and tear on the energy and the nerves of our executives, will represent much more than the $15,000 of nominal profit that we may make out of this business."

* * *

Last week the Minister of Finance said that Canadian firms were giving wholehearted co-operation in the war effort of Canada. At the same time he coupled this with a rather general reference to firms that have incurred unjustifiable expenditures "induced by the knowledge that the Government was bearing most of these expenditures because of the 75 per cent rate of taxation applied." Mr. Ilsley's statement that there may be "little profit motive for vigilance in economy" got more publicity than his reference to the co-operation the Government is getting from business.

Profiteering in wartime cannot be too severely condemned. But the figures of Canadian business profits show that there is no profiteering among Canada's established business firms. The really important question is whether business is making enough profit to ensure stability of employment in the postwar period of readjustment.

* * *

The worker is as much a part of business as are management and the shareholder. The jobs of two to three million Canadians are wrapped up in the financial security of Canada's business firms.

Every business firm should be keeping its plant, its machinery in tip-top shape. It should be building up cash reserves to provide security against depression's shocks. A good many of the expenditures that Mr. Ilsley condemns may be expenditures designed to ensure the very existence of the firms making them, and the very existence of the jobs the firm provides.

For Canadian business to come out of the war emaciated would be just as bad as for it to come out of the war bloated. There must be assurance of reasonable profit for industry in wartime if only to ensure the interests of workers in the days to come. Industry is not something apart from the people. It is the people and they have an interest in keeping Canadian industry strong.

* * *

MR. KING STANDS BY HIS CABINET

In Prime Minister King's press interview last week he offered a variety of reasons why his present cabinet organization could not be improved.

Canada does not need an inner war cabinet, says the P. M., other than the war committee it now has and that consists of several key ministers who meet in his office. As for relieving these ministers of some of their departmental responsibilities, this too is impossible, he says. Nor does Mr. King see any advantage in appointing undersecretaries to take over some routine ministerial work in the House of Commons.

In short, the Prime Minister is determined to stand pat with his present cabinet arrangements. He thinks they are satisfactory.

This singular complacency on the part of the Prime Minister is understandable only in terms of Mr. King's traditional habit of never acting until public opinion explodes. Certainly it is not justified by any evidence of such perfect planning in our war programme as to support Mr. King's assumption that no improvement is possible.

* * *

Mr. King has many good men around him. But he is also carrying several dud ministers who ought to be replaced with men of driving force, capable of holding public confidence and helping to inspire the country to an even greater war effort.

Even the good men in the cabinet, and particularly in Mr. King's war committee, are too busy to do much planning. They can scarcely keep up with the day-to-day jobs. Harassed as they are by routine duties, they have no time to think and to plan an integrated war effort.

* * *

Take Mr. Howe, for example. The other day a statement was issued about the T. C. A. wreck. Who issued it? Mr. Howe.

This week you may have bought your radio license. It is headed "Department of Transport—Radio Division." But at the bottom it reads "Issued on behalf of the Minister of Munitions and Supply."

Mobilizing Canadian industry for war; producing enough war equipment and material to supply our own forces and yet ship over a billion's worth to Britain in the coming year; this would seem to be a full-time job for anyone.

Yet the man who has assumed that job thinks he has time to investigate civilian plane wrecks and issue radio licenses as well as to run a few other sideshows.

* * *

Is it any wonder that every once in a while serious deficiencies reveal themselves in our war planning; such things as the competition between the army and the war industry for men; or the undertaking of huge tank or plane programmes that have to be scaled down or called off; or threats of gasoline rationing by one minister at the very time when another minister is trying to round up tourist dollars?

The ministers have only the spare corners of their time left to do any planning and co-ordinating. That they have been able to accomplish as much as they have in that respect is a tribute to their conscientious industry. But the present system is much too hazardous. It leaves the door open for serious blunders.

Mr. King needs first a stronger cabinet. Then he needs an inner war cabinet, freed from departmental responsibilities, and charged with the duty of planning our war effort and co-ordinating all its phases.

In respect to war supply, the Minister of Munitions needs first to give up his jurisdiction over T. C. A., CBC, and other matters that are secondary in wartime and concentrate on war production. And to ensure that he has time to confer on matters of broad policy with other members of the cabinet, with representatives of Britain and the United States, he should get himself a senior industrialist to take immediate direction of carrying out the contract-placing and production policy that is laid down.

Mr. King's supreme contentment with the set-up of our war

(Continued on page 2, col. 4)

Easter Sales Said Above Old Highs

Spring Buying Soars Despite Shortages in Some Lines – Car Sales Jump

Easter buying this year, throughout most of Canada has been the best since 1929, perhaps in Canadian history, retailers tell The Financial Post. Gains run as high as 100% over a year ago. The increase is reported to be coming largely from a huge army of new workers now making good wages in factories working on war equipment.

Ideal weather in most parts of the country has been a potent factor and also the fact that Easter itself was late enough to permit the donning of new and lighter finery. About the only major handicap, it is reported, was the difficulty in securing certain types of seasonal goods, gloves, silk stockings, and British import lines generally.

Some Goods Cut Off

The cutting off of most non-war imports from the United States, coupled with right-of-way war orders in Canadian factories, prevented some merchants from securing normal volume of supplies this spring. Offsetting this, however, has been the change in inventory habits of the average retailer. Since the beginning of the war and in some cases for several months before, there has been a tendency to carry larger supplies. This change was dictated partly by the feeling that the cycle of low prices was definitely over and there would be no risk in carrying larger stocks and partly by nervousness over shipping and production conditions regarding routine goods in Canada and abroad.

In February, the latest month for which figures are available, the Dominion Bureau of Statistics Index of retail sales rose to slightly over 130, up six points from the previous month, and nearly 20 points from a year ago.

In contrast to the early days of the war and the period just before the repeatedly delayed 1940 budget, there is reported to be no noticeable stocking up of non-durable goods. Customers do not seem to be worried over likely tax increases and apparently are convinced that something close to present price levels can be maintained.

In the more durable goods, however, a different trend is noted.

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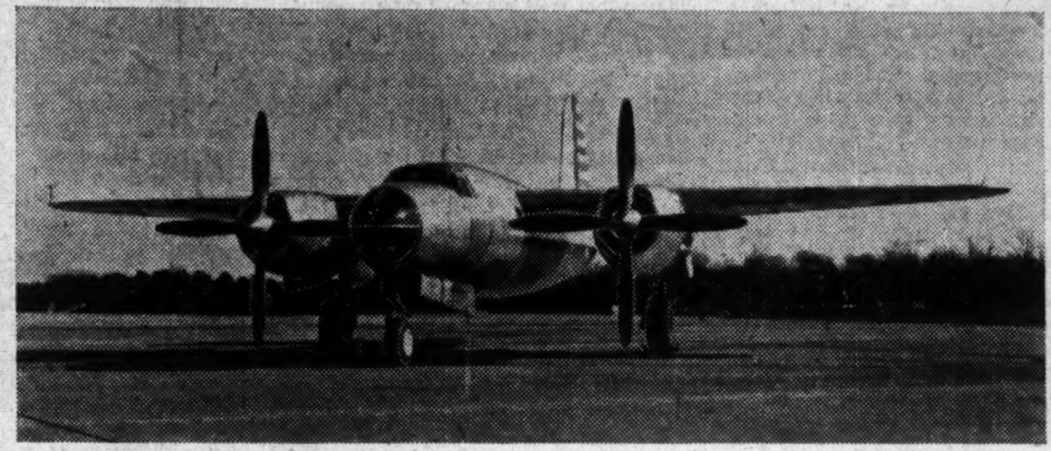

TO MAKE FAST BOMBER HERE

Machinery and equipment are now being installed in the $2.5 millions Malton aircraft plant of National Steel Car Co. for manufacture of the new twin-engined Martin B-26 bomber shown above. Preliminary work on the new plane is expected to start as soon as the deal is finally completed. Cost of the plane without engines, instruments, etc., probably will be in the neighborhood of $90,000 to $100,000. If the order is for 200 planes, as has been suggested, this would mean a contract in the neighborhood of $18 to $20 millions. Apart from the Anson programme this would represent the largest single order yet placed in Canada.

The new bomber was tested a few months ago in Baltimore and is being produced for the U. S. Army. It is powered by two 18-cylinder, 1,850 h.p. Pratt & Whitney engines with four-bladed propellers. It is said to incorporate lessons already learned in air combat in the present war. The Martin organization has an initial order for 1,100 planes of this type valued at $99.6 millions.

This plane is expected by the company to be the fastest bomber in the world. It is said to use exhaust energy for speed increase. According to reports it is fitted with armored cockpits, self-sealing fuel tanks, one power-driven turret on top of the fuselage and another in the tail under the rudder.

Supreme Test of War Finance

Government Must Now Face Crucial Decisions

From Our Own Correspondent

OTTAWA.—The supreme test of Canadian war finance is rapidly approaching.

First is the problem of finding an unprecedented amount of money for Canada's own war effort. That can be readily attended to between taxation and borrowing out of the savings of the Canadian people.

Second is the problem of financial aid for Britain.

That the forthcoming budget will attempt to face both those problems is now accepted here. Ottawa views the two items together as constituting a single problem in war finance.

Full import of that fact is less well appreciated. For this means that Finance Minister Ilsley must be dealing with a problem not of some $1,880 millions, estimated now to be the Dominion's need for this year, and frequently suggested as the scope of the present budget, but of a much larger figure which is estimated to reach as high as $3 billions.

Just how much financial aid to Britain the Dominion will have to provide it is now impossible to state, but a figure of $1,150 millions was mentioned in the House by Prime Minister King.

In the budget speech of September, 1939, Mr. Ilsley declared Canada's war finance policy to be this: "We shall follow, as far as practicable, a pay-as-you-go policy. What we cannot meet by taxation we shall finance by means of borrowing from the Canadian public at rates as low as possible."

The minister is understood still to avow that policy—one in which Canada rejected inflation.

That the budget will attempt to raise nearly $3 billions by taxation and borrowing alone does not, however, coincide with well-sourced information here.

It is understood Mr. Ilsley will tax and borrow enough to meet Canada's own needs, plus some part of Britain's needs. How he will meet the rest of the British account in this country is another matter.

The mechanics of financial aid to Britain—over and above gold shipments and repatriation of our securities—are this: Canada purchases British Government notes which are redeemable by Britain after the war. In this way Canada helps provide Canadian dollars for the British Government's enormous purchases in this country.

This operation can be financed in two chief ways.

1. Canada can seek the additional dollars required by means of taxation and borrowing from the people of Canada in the same way as she finances strictly Canadian needs. This is the "no-inflation" method and is in line with avowed fiscal policy.

2. Canada can borrow from the chartered banks; or borrow from the Bank of Canada—within certain statutory limits—or simply direct the Bank of Canada to print more notes. All these methods cause credit or currency expansion in Canada's money system and are directly inflationary.

A brief definition of inflation—at least the kind whose possibilities are being watched with concern by some here—is: Any considerable increase in prices caused by an increase in the amount of money spent without a commensurate increase in the supply of goods.

The cause of such inflation, in short, is the continued increase in credit after national production has reached its maximum.

The belief here is that the forthcoming Ilsley budget will not attempt to provide for the entire (Canadian plus British) estimated need through the "non-inflationary" methods. That would suggest that during the year there would be some borrowing from the chartered banks—an "inflationary" method—for a goodly amount.

A budget of $1.8 million—estimated to be Canada's own need—is quite manageable with tax yields already at the billion-dollar level. A few hundred more millions from taxes, $150 millions from war savings and a war loan of around $500 millions would about meet the need.

A budget of $3 billions would re-

(Continued on page 2, col. 7)

The War And Business . . A Weekly Round-up

Mediterranean Crisis

An informed "inside" view of the Mediterranean situation at midweek highlights the following points:

1. The German advance in Libya has set us back very considerably, possibly to where we were last fall, perhaps even farther.
2. Though Egypt is now definitely threatened, Britain can retreat much farther in the near east without fear of losing the war. Iraq could be occupied to safeguard oil supplies with a strong line being held somewhere beyond Suez until 1942 when we would be strong enough to throw Hitler back. Meanwhile it would be very costly for Hitler to keep his armies fed and supplied.
3. The next three weeks will be critical in indicating how long and hard the war may be. If we lose Greece (which is possible) and control of Egypt, we will be about where we were in 1915 after the Battle of the Somme.
4. The loss of Greece and Egypt would not lose us the war.

* * *

Challenge to Canada

Commenting on the swift and threatening success of the Nazi drive across Libya and into Egypt, W. R. Plewman whose war commentary in the Toronto Star is rated as the best in Canada, had this to say this week:

"The Huns' 1941 spring campaign has been in progress only a week and already it has made enough headway to change unfavorably the aspect of the war and to demonstrate the necessity of greater war effort in every British country and every country that wishes to give material help to Britain.

"Intensified war production, recruiting and training should be the order of the day. This country can do more than it is doing yet to hasten the day of victory. At the moment we are engaged in a desperate struggle for our very existence as a part of the British Commonwealth, a fact that it was hard to believe yesterday as one saw the tie-up of pleasure traffic and the countless thousands of curious people trying to obtain a glimpse of the Easter fashion parade on the Sunnyside boardwalk."

* * *

Our U. S. Investments

Rumors that Canada was about to confiscate the American investments of its citizens may have originated with an over-enthusiastic group of potential Victory Loan salesmen.

Someone got the idea that if Ottawa were to take over the U. S. securities it would kill two birds with one stone. Turning the securities into cash would help the U. S. dollar account; and paying the owners Canadian dollars for their holdings would give them money to buy war loan bonds. No one made the suggestion officially and if he had he would have gotten a stern frown from the authorities. But the story got around that the move was in the wind.

Actually, Ottawa still thinks our American investments should not be disturbed except under the urgency of a most grave crisis. But what Ottawa thinks and what the United States may demand as the price of Lease-Lend assistance may be two different things. In the meantime the odds are perhaps better than 50-50 that these investments will not be taken over.

* * *

Munitions Billions

To "celebrate" its first birthday, Department of Munitions and Supply issued last week a press release placing at $1.5 billions the amount of "orders which it has placed for the Canadian and British governments" in the past twelve months.

If to this be added the amount of business placed by the predecessor organizations (War Supply Board and Defense Purchasing Board) about $100 millions, the grand total would be in the neighborhood of $1.6 billion.

Since no complete figures have been published to show a breakdown of this figure only very rough approximations can be made. Some of these are official figures, others are purely estimates: capital investment in new plant and equipment, $380 millions; defense construction projects, $110 millions; airplane orders, $127 millions; shipbuilding, $120 millions; tanks, $100 millions; mechanical transport, $200 millions; shells, $100 millions.

The remainder (about $450 millions) is probably divided between guns, chemicals and explosives.

If prospective orders to be placed by Wartime Merchant Shipping Ltd. are included in shipbuilding that item should increase by at least $100 millions.

* * *

Canada and U. S.

Summarizing the U. S. defense programme the current monthly letter of the Bank of Nova Scotia points out that legislation now under consideration, plus recommendations contained in the U. S. budget for 1942, plus the programme already enacted, involve expenditures from the federal budget of over $30 billions. To this, $7 billions must be added to cover financial aid to Britain and other countries plus outlay by government corporations outside the federal budget.

This $37 billions is the summation of a wide and extended list of projects, many of which are still in embryo. Actual out-of-pocket spending up till February was only $2.9 billions; total outlay for the fiscal year ending June 30 next is placed at $5.5 billions. For the coming fiscal year expenditure is likely to be well in excess of $15 billions and may be as much as $20 billions.

* * *

Comparing these figures with Canadian expenditure, the Bank finds them small in relation to respective national income. During the fiscal year 1940-41 it suggests that U. S. defense expenditure should be about 7% of national income compared with a 20% expenditure in Canada. In 1941-42 the U. S. ratio may rise to 18 or 20%, while Canada spends 33 to 40% of national income on its programme.

In appraising these figures it must be remembered that Canada's economy is now supposedly geared to an all-out maximum war effort. The U. S. is only beginning to approach what might be termed a complete war economy.

* * *

June Labor Peak

Actually Canada is approaching "full out" industrial production more rapidly than was contemplated when a survey of labor needs and requirements was made last November. At that time it was thought that Canada would reach peak employment in September.

More recent studies suggest that full industrial production in terms of labor supply will be reached by June.

* * *

U. S. Labor

The past week has brought a remarkable improvement in the critical U. S. labor and strike situation (as far as production is concerned) although the 10% wage increase to steel workers will doubtless spread rapidly to a great many other industries and boost costs and payrolls on a nationwide scale.

Unfortunately the U. S. has made no attempt to introduce a modified "cost of living wage bonus plan" to offset a possibly disastrous wage-price inflationary spiral.

Whaley-Eaton, Washington, believes that recent developments point to a thorough unionization of American industry during the defense programme period and that after that will come the question of regulating the unions. "Their voting power," it adds, "will by then be very great."

* * *

Our National Income

How much is Canada's national income?

Always an important piece of business intelligence, this question becomes of very vital national importance when taxes and expenditures of the present magnitude are under discussion.

This week a bulletin of the Department of Public Information stated that Canada's national income in 1940 was $4,784 millions in 1940. It put income for the first two months of 1941 at $835 millions, an increase of 9.2%. The figures came apparently from the Dominion Bureau of Statistics.

But three weeks ago, Prime Minister King told the House of Commons that "the estimate of Canada's gross national income in the new fiscal year has been raised to $5,950 millions. This would seem to be at a rate about 24% greater than the D.B.S. figure.

An additional confusion is the estimate prepared for the Dominion-Provincial Conference and based on Rowell-Sirois studies. This put national income at $4.6 billions for 1940.

* * *

There are possibly good statistical reasons for all these different estimates but to the layman they are confusing and misleading.

The term national income is not one that should be used officially without some explanation or without some prior agreement as to what basis is going to be adopted.

The new figure used by Mr. King suggests that Ottawa (for reasons of its own) is going to expend the accepted definitions of national income as used by the Rowell-Sirois report (income actually paid out in any year) and the one used by the D.B.S. (income produced).

Canada Would Retain Investments in U. S.

Ottawa Policy Still Excludes Any Plan to Sacrifice American Assets of Canadians to Meet Dollar Exchange Shortage

Signs are entirely lacking as far as The Financial Post can learn, of any change in Ottawa's policy on U. S. investments held by Canadians.

That policy from the start of the war has been against taking over such securities and turning them into American dollars, to help Canada meet the deficits in its international account with the United States.

This week The Toronto Daily Star published a "scare" article saying "Toronto bankers expect the Federal Government will decide to cash in the billion dollars now tied up as Canadian holdings in the United States." The article suggested that before the United States could be expected to assist Canada to finance heavy war costs, it was probable that Canada would first realize on all outstanding assets.

Two Methods Suggested

The move, according to the "experts" interviewed by The Star, could be made in two ways. The Canadian Government could take over the investments, sell them for U. S. currency, and pay the owners an equivalent in Canadian funds; or holders of U. S. assets could be told to cash them in within a set time. England has provided the precedent for the first method, and Australia adopted the second.

The Star, quoted "a bank authority," as saying that it would not be good taste for Canadians to ask for the loan of American dollars if Canada had not already got all she could by sale of Canadian investments abroad."

The "experts" and "authorities" interviewed by The Toronto Daily Star for purposes of its article are evidently not in touch with the opinion of the economic and financial advisers of the Government. Their views on this subject are exactly contrary to those expressed in The Star article.

Ottawa View

The view of the matter that The Financial Post has reason to believe is taken by Ottawa is this:

1. The amount of U. S. securities held by Canadians that could be turned into cash is nowhere near the billion dollars loosely used in general discussion (and in the Star article).
2. Canada's holdings of American assets represent a substantial part of the liquid reserve of this country, to see it through periods of serious business depression.
3. Such a reserve is vital to Canada's stability. First, because Canada is a large trading nation, dependent for one dollar in three of the national income on international trade. Secondly, because of the $4 billions of U. S. money in Canada, on which dividends and interests must be met in good times and bad.
4. For Canada to denude herself of the American investments of her citizens would weaken this country very greatly, and this would not be in the interests of the chief creditor of this country, the United States.
5. Selling such securities would represent, moreover, a using up of our national capital and we should take almost any other step to balance our United States account befort taking this one. For instance, further restrictions on United States imports are possible.

U. S.-Canada Negotiations

There is good reason to believe that discussions between Washington and Ottawa about Lease-Lend assistance to this country are in a very interesting stage at the present time. The matter will undoubtedly be one of the subjects of the conversations between President Roosevelt and Prime Minister King.

Dr. W. C. Clark, Deputy Minister of Finance, has been quoted by Secretary of the Treasury Morgenthau as assuring the latter that Canada was well supplied with American dollars for the balance of 1941. But independent estimates of our balance of pyaments with the United States indicate that the pressure on our dollar resources is very heavy.

Canada needs some assurance of either a loan in American dollars or material assistance under Lease-Lend. Washington apparently is not anxious to repeal the Neutrality Act to permit investment dealers to

(Continued on page 2, col. 5)

End of Strike Abates Threat to Labor Policy

Return to work this week of law-flouting strikers at Oshawa abated a potential threat to the Government's whole wartime labor policy. This is designed to curb strikes and soaring wage spirals in essential war industries.

With an illegal walkout of Oshawa woollen mill workers rounding out its second week, the Government was challenged to take decisive action. Backed by local unions at Oshawa and elsewhere, the strikers had for 10 days persisted in refusal to return to work, despite warnings by Department of Labor officials early last week of the statutory penalties involved.

The workers went back to their jobs at mid-week. Spokesmen said they would seek to settle the dispute by direct negotiation with the employer or, failing agreement, to apply for a board of conciliation.

If there had not been a change of heart by the strikers or action by the Government, the Oshawa situation was shaping up as a dangerous precedent. If allowed to drag on it was feared, strikers' defiance might wrench loose the wartime controls aimed at stable industrial relations and unhampered war supply output.

Fear Spread of Trouble

If the Oshawa group could "get away with it," observers contended, other groups all over the country would be encouraged to resort to summary strikes without first going through conciliation proceedings. This is in direct violation of the Industrial Disputes Investigations Act as extended to meet wartime needs.

This view is shared not only by official labor authorities and interested employers, The Post learns, but also by the more responsible labor leaders of recognized organizations. The Oshawa strikers, incidentally, are enrolled in a month-old local of the Canadian Hosiery Workers Union, an independent group functioning only in Ontario and unaffiliated with any of the established labor federations in Canada.

There was an evident attempt to

(Continued on page 2, col. 3)

Drive Continues Against Tax-free "Co-operatives"

From Our Own Correspondent

OTTAWA.—Although neither officially denied nor confirmed it is believed that the western grain pools will be called upon to pay Dominion income tax.

Under the present law a strictly co-operative organization is not taxable because it is assumed that there can be no ordinary income. It is understood, however, that the current investigation of the income tax authorities will reveal that the three provincial wheat pools of the Prairie Provinces have not been operating on strictly co-operative lines for some years and could therefore be regarded taxable, without any change in the present tax law. Whether any decision to make the tax retroactive is not certain.

Next group of co-operatives to come up for scrutiny, it is understood, will be the big dairy pools of western Canada. The same arguments are being advanced for taxing them as were offered in connection with the grain pools.

Widespread Agitation

Recently there has been widespread agitation to have the grain pools pay income taxes on the same basis as their competitors, the private grain companies. All these pools have established substantial reserves of cash or securities, using them, it is claimed, to expand operations in direct competition with privately owned elevators and grain companies.

This competition, it is maintained, has gained such headway that privately-owned competitors were faced with the decision of either abandoning operations altogether or reorganizing on a so-called co-operative basis. In either case the Dominion Government would lose what has proved in the past to be a very substantial source of tax revenue.

In 1931 the western grain pools, it is stated, abandoned the old system of pooling grain for their members. Under that system the pools simply acted as agents for their members, taking delivery of the grain, pooling it by grades and eventually selling it. All receipts, less ordinary handling charges were turned back to the members on the basis of the amount of business contributed by each patron. Since 1931, however, under the development of the national wheat marketing policy, grain has been largely bought on a straight market basis, similar to the procedure of the private grain companies. Net earnings of the three big grain pools, operating in each of the three Prairie Provinces totalled almost $3.7 millions last year.

Dairy Co-operatives

Dairy co-operatives in Canada in 1939 did a total business of almost $20 millions, it is reported, a growth of almost two and a half times since 1933

During this period, reserves and surplus not paid out to patrons rose from $2.3 millions to $3.3 millions. These reserves, and not new share capital of members, it is claimed, have been used for extending dairy pools throughout the whole of western Canada, for fi-

(Continued on page 3, col. 5)

Tie Tips
FROM
EATON'S

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Fleet Aircraft Profits Soar

Record Operations in 1940 Reflect Heavy Government Orders Last Year

Fleet Aircraft Ltd. reports net profits for 1940 equivalent to 69 cents a share on the company's 190,289 common shares. In 1939 the company reported a net loss of $22,798.

W. J. Sanderson, president, reports that the company's operations were greater than in any previous year. He says that plant and equipment were fully used in producing Fleet primary trainers for the Empire Air Training Plan, British bomber units, fuselages, and the assembly of other British planes for pilot training.

The order for primary training planes was completed several months in advance of schedule and the order for bomber fuselages has been recently increased. The company has a "substantial order" for its Fleet Model 60 advanced trainer and production is "well under way," he reports.

Additional buildings at Fort Erie have been provided and plans are now being prepared for an assembly and engine overhaul plant at London. Fleet is to operate both of these plants.

Shows in Balance Sheet

Balance sheet reflects the increased scale of operations. Trade accounts receivable are approximately trebled at $389,608. Amount receivable from Canadian Associated Aircraft is only moderately lower at $158,234. Inventories are up about half a million at $1.2 million. Cost to date of work in progress on Government contracts is shown at $712,713, against which progress payments of $433,227 have been received. Bank loan and overdraft is $300,000 higher at $981,642.

Provision for income and excess profits tax has been made on an estimated basis pending determination of standard profits and allowance of the company's claim for special war contract depreciation.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net oper. profit	589,633	94,109
Less: Exec. salaries	13,450	12,074
Legal fees	4,423	1,774
Directors' fees	4,323	1,060
Depreciation	257,920	96,318
Income & E. P. tax.	176,444	5,681
Net profit	133,073	*22,798
Add: Prev. surplus	50,716	76,503
Less: Adjustments	......	2,989
Surplus forward	183,789	50,716

*Loss.

Working Capital

	1940	1939
	$	$
Current assets	2,124,402	1,101,497
Current liabilities	1,401,078	827,364
Working capital	723,324	274,133

Company Report

Claude Neon

Financial statement of Claude Neon General Advertising Ltd. shows net profit of $495 in 1940, compared with $201 in 1939. Profit from operations totalled $71,343, compared with $78,246, but decreased provision for depreciation and bond interest resulted in higher net.

This profit does not take into consideration the company's portion of loss incurred by a partly owned subsidiary company totalling $14,200.

Claude Neon purchased all publicly held Western Claude Neon Lights Ltd. common shares during the year, giving complete ownership. These shares were transferred to Claude Neon's subsidiary, E. L. Ruddy Co., to enable the latter to merge its wholly owned subsidiary, Ruddy Kester Ltd., with Western Claude Neon Lights Ltd.

Because of blackout regulations in the Maritimes, J. R. Robertson, president, reports practically no signs are being sold in this territory, but orders booked elsewhere showed substantial increase during the year.

Cons. Income and Deficit Account
Years Ended Dec. 31

	1940	1939
	$	$
Profit for year	71,343	78,246
Less: Exec. salaries	10,300	10,300
Legal expenses	892	357
Net earnings	60,151	67,589
Less: Depreciation	36,013	39,433
Bond interest	23,368	27,955
Inc. & profits tax	275	......
Net profit	495	201
Add: Sec. sale profit	20,992	......
Less: Prev. deficit	1,818,850	1,815,741
Prior adjusts.	1,177	3,310
Deficit forward	1,798,540	1,818,850

Working Capital

	1940	1939
	$	$
Current assets	183,297	146,095
Current liabilities	264,280	202,777
Working capital*	80,983	56,682

*Excess of current liabilities over current assets.

When the whistle blows is it "full steam ahead" in YOUR business?

YOU may not be working on "war contracts" . . . but if your industry or business is producing or handling commodities essential to the life of the nation in war-time, or indirectly to Canada's war effort, it is a patriotic duty to maintain production or increase it.

Are you hesitating for lack of MONEY? Consult the Manager of our Branch near you. He will be glad to discuss a loan for the increased operation or sound expansion of your business.

THE
DOMINION BANK
ESTABLISHED 1871
HEAD OFFICE: TORONTO, ONTARIO
Branches throughout Canada
C. H. CARLISLE, *President*
ROBERT RAE, *General Manager*

Canadian Vickers To Build Bombers

From Our Own Correspondent

MONTREAL.—Canadian Vickers Ltd. has received an order for 39 PBY Consolidated Amphibian twin-engined patrol bombers, model 28, according to an announcement of the Hon. C. D. Howe, Minister of Munitions and Supply.

The machines, which have a thousand-mile range and a top speed of nearly 200 miles, are understood to cost in the neighborhood of $150,000 each. No further details have been issued by the Department.

End of Strike Abates Danger

(Continued from page 1)

use the Oshawa strike to buck the Government's war labor controls and Ottawa was preparing to apply its war authority to meet the test.

Fear Reds in Background

In some quarters it is alleged that undercover Communist influence had aggravated the strike situation, and perhaps helped to precipitate the walkout. Recent reports indicate that the current "party line" of the Nazi-allied Reds calls for fomenting disruptive surprise strikes on a wide scale, in Canada as well as the United States; and efforts to spike the Government wartime wage policy as outlined by order-in-council, P.C. 7440.

Laid down for the guidance of conciliation boards, this policy sets the wage levels of 1926-29 as a desirable ceiling for war industries and allows for wage bonuses to adjust pre-war wages to the rise in cost of living.

The union involved at Oshawa appears to have adopted both objectives of the Communist programme. In addition to persisting in an outlaw strike, the union has declared itself in opposition to P.C. 7440. Alex Welch, national secretary of the union and leading figure in the Oshawa trouble, was recently quoted as saying that the question of wages—one of the factors in the dispute—was secondary to "labor people's" opposition to the order-in-council.

Confiscation Demanded

This was paralleled by a declaration from an official of the United Automobile Workers (C.I.O.), whose Oshawa locals were aligned with other unions in support of the woollen mill strike, that the fight was not against the company involved but against the Dominion Government. A strike mass meeting adopted a demand that the Government take over, "without compensation," the properties of the struck concern, Schofield Woollen Co.

In 1936-8 Alex Welch, organizer of the striking local union and chief executive official of the national group, was much in the public eye as organizer of textile workers in Ontario, for a time as agent of the textile union branch of the C.I.O. Later the units he formed pulled away from the C.I.O. and set up on a purely Canadian basis in affiliation with the Trades and Labor Congress of Canada (A. F. of L.). The organization of these textile unions and their bid for employer recognition were accompanied by a number of disorderly strikes, in particular at Cornwall, Peterborough, Woodstock and Welland.

Revived Union

Subsequently, Welch broke away from the textile union group (which now consists chiefly of three locals at Cornwall) and undertook to revive the Hosiery Workers Union. At one time this was a national body with 14 locals linked with the old All-Canadian Congress of Labor, but its size and activity had been much curtailed when Welch allied himself with it. Later it broke away from the All-Canadian Congress (now merged with the C.I.O. unions in Canada) and set up on an independent basis.

At various times prior to the war, articles on labor and kindred matters appeared under the by-line "Alex Welch" in the Daily Clarion, presently banned organ of the Communist Party of Canada.

Violates Law

In the Oshawa case, the union not only failed to request conciliation before striking but had refused to submit its grievances to a board, though it had sought to have the chief conciliation officer of the Department of Labor attempt to settle the strike.

The Schofield Woollen Co. is classed as a war industry covered by the Act. It had been working on extensive orders for heavy woollen underwear for the armed forces. The company has been in operation nearly half a century, during which it has had no labor trouble up to now. It has been paying wages which (with cost-of-living bonus) are above the 1926-29 level, but the strikers refuse to accept this as a basis of negotiation.

Formation of a union among the 80 or 90 employees of the firm, most of them women, was apparently completed about the middle of March and the company so notified. Subsequently, it is understood, the management met a group of workers on several occasions to discuss proposals for union recognition, wage increases, and other demands. Around the end of March, while negotiations were still pending, it developed that a strike vote had been taken. Employees were called out on April 7.

Strikers Warned

The union was promptly notified by M. S. Campbell, chief concilation officer of the Labor Department, and later by Labor Minister McLarty, that the strike violated the Industrial Disputes law. The strikers were repeatedly urged to return to work and warned of the penalties provided under the Act. Each striker in an illegal walkout may be fined $10 to $50 for each day he continues on strike, and any person who "incites, encourages or aids" such strikers to walk out or remain off the job can be fined $50 to $1,000.

The Nation's Business

(Continued from page 1)

administration is disconcerting. It is reminiscent of our complacent idleness during the first nine months of the war; an idleness which is now being blamed entirely upon the British.

* * *

U. S. OPINION MOVES TOWARD WAR

W. L. MacTavish of the Southam newspapers reports from Washington that well informed public opinion is that "war is inevitable" for the United States.

Such a conclusion seemed more logical than ever this week when Russia and Japan forged another link in the chain of Red, Brown and Yellow Bolshevism that is being slowly tightened around the body of democracy. The United States is today menaced as it was never menaced before. The British nations are at war in a struggle to free themselves from the iron ring that presses upon them and the American countries. It is natural that more and more Americans should be coming to the view that they have a moral duty to do more than forge weapons for other men to use at the risk of their lives.

But not all people across the line see the issue that clearly. One must not expect more than a wave-like advance in opinion across the line. There will be subtle ebbs and flows before the final decision is reached.. The minority is slow to fall in line with the majority. There will be times, such as the present moment, when American determination to see Hitler defeated may seem to flag.

* * *

It does seem clear that American opinion is in one of its periodic backwashes. For over a year the tide of opinion has been sweeping the United States toward ultimate entry into the war. But each successive wave, after reaching its crest, has retreated, to give way in time to another wave which has swept further up on the shore. The next wave may not be long delayed.

To those—whether in the United States or outside of the United States—who regard the complete and crushing defeat of Hitlerism as the only way to ensure the security of the democracies, the tide has come in at an agonizingly slow pace. It took months to achieve even Lease-Lend; it may take a long time for American opinion to come around to a policy of seeing that Lease-Lend aid is laid down where it is needed, instead of f.o.b. some U. S. port.

The American people have grasped for one device after another to avoid the ultimate decision of a declaration of war. Yet it is doubtful if American pride will long be satisfied with the role of armorer alone when others are risking so much more than their material wealth.

* * *

Up to now there has been a tendency to feel that the United States could more effectively help the Allies by staying out than by coming into the war. That is not so now. Needed for victory in 1942 are: U. S. naval convoys; an end to defense strikes; a plus-effort by U. S. industry; control of Nazi-Fascist propaganda activities in this hemisphere; and the heart-lifting encouragement that would come to the occupied countries from certainty that the United States was in the fight to the end. Only a declaration of war can provide all these.

While the United States is making up its mind. the democracies that are already fighting must give constant reiteration of their determination to let no setbacks weaken their resolve to fight on until victory is achieved, even if they have to fight alone.

The British nations must say to their American cousins: "We may not be able to win the war quickly unless you fight at our side; but whether you fight or not, we'll never quit until we've won."

* * *

We must say this, first, because it is true and, secondly, because there are indications of some fears in the United States that it is not true.

Over the week end the New York Times suggested that bad news from the Balkans and North Africa might weaken the support of American public opinion for all-out aid to the allied democracies.

The Whaley-Eaton service, published in Washington, makes a similar comment. There is, it says,, considerable opinion throughout the country that debacles in the Balkans and North Africa, if they occurred, might force Britain to accept a peace.

Such forebodings do great damage to democratic morale. We must let the world know we'll never quit short of victory.

* * *

ARE THESE CHARGES WELL FOUNDED?

The Vancouver Province makes a most serious charge in respect to one phase of the Government's aircraft building programme. This western paper claims that work on a huge new aircraft plant in the Vancouver area is proceeding in most leisurely fashion. States The Province:

> "That building has been under way for six months now and is still not nearly finished. Not a plane has been laid down in it yet and it will be months before a plane can come out.
>
> "On that building men are working easy hours, one shift a day, laying off Sundays and holidays . . . . . Every afternoon at 4.30 the workmen knock off and no one goes on . . . . .
>
> "Why is this? Why is it, with the demand for airplanes and more airplanes so pressing, that work on this great building lags so painfully? Are we at war or are we at play? Are we in earnest about building planes or are we only pretending?"

Such specific charges demand a statement from the Government.

It seems incredible, after 20 months of the kind of war Canada has been facing, that any factory construction needed should not be rushed.

Three shifts of labor were employed on the hangars and schools needed in the Air Training Plan and planes are just as vital as pilots.

Company Report

St. John Dry Dock

Financial statement of St. John Dry Dock and Shipbuilding Co. for 1940 reflects wide expansion in operations. Income from all departments totalled $1.8 million, against $910,560 in 1939.

The auditor reports changes were made in presentation of the financial statement for the year. To the past year the company credited profit and loss account with semi-annual installments received under the Dry Dock Subsidies Act. When this subsidy is deducted from income, net profit of $61,176 compared with net loss of $89,492 in 1939. All bank loans were liquidated in January of the current year.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
Income:	$	$
General	140,636	130,771
Dry dock	1,530,503	587,170
Structural steel	105,877	192,619
	1,777,016	910,560
Less oper. exps.:		
General	132,244	100,053
Dry dock	1,128,383	450,295
Structural steel	102,697	190,483
Exec. expenses	26,018	19,092
Exec. salaries	38,350	34,265
Directors' fees	850	150
Admin. exp.	77,050	48,156
Finance exp.	7,854	1,408
Depreciation	62,080	145,762
Doubtful accts.	32,487	......
Conting. prov.	50,000	......
Donations	3,763	......
Inc. & profits tax	54,064	10,388
Net profit	61,176	*89,492
Less: Pref. divds.	19,125	19,360
Pref. part. divds.	1,074	......
Com. divds.	11,250	......
Surplus for year	29,727	*108,852
Add: Prev. surplus	168,042	140,686
Dom. subsidy	......	145,762
Deprec. adjust.	127,457	......
Amort. adj.	227,354	......
Assets sale prof.	......	566
Prior inc. tax	......	216
Less: Prior adjust.	2,913	10,336
Dom. subsid. adj.	311,650	......
Pref. shares red.	5,500	......
Surplus forward	232,517	168,042

*Deficit.

Working Capital

	1940	1939
	$	$
Current assets	1,121,976	341,796
Current liabilities	792,540	103,824
Working capital	329,436	237,972

Canada to Retain U. S. Investments

(Continued from page 1)

underwrite a Canadian loan, or alternatively to make direct cash loans to belligerents. This means that the Lease-Lend formula must be more fully explored for a way to meet Canada's needs.

Aid Assured

A query by The Financial Post to a well-informed Washington authority brought the reply that American dollars will be made available to Canada, "if, as and when needed." The same authority expressed the opinion that it was doubtful if Mr. Morgenthau would insist upon Canada selling all American assets before coming under Lease-Lend.

But it is not thought that Ottawa has reached the stage in the negotiations with Washington where any such positive assurance has been received from Mr. Morgenthau.

The Washington authority cited above points out that the President is setting up two special agencies. One will be in effect a ministry of economic warfare and the other a committee for fiscal and economic research, to be headed by Vice-president Wallace. These two agencies will likely work in parallel to consider the whole U. S.-Canada relationship, from the viewpoint of both trade and finance.

Some arrangement to handle Canada's problem of dollar exchange is among the results expected from their work.

Arrangement Sought

In the meantime it seems quite likely that one of the reasons why the Canadian budget was postponed was this very problem of dollar exchange. Ottawa was known to have prepared an additional schedule of U. S. articles the import of which was to be barred or subject to very heavy taxes.

The suggestion is that Washington authorities asked for a chance to discuss the whole subject of Canada's dollar exchange and Lease-Lend before Canada took a further long stride toward drastic trade embargoes.

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Maritime Telegraph & Telephone Co.	Apr...	W. C. Pitfield & Co. (Sold privately)....	4%	1971	$1,000,000	....	.....
Religious Hospitalliers of Hotel Dieu of St. Joseph, Windsor	Mar...	Harris, MacKeen, Goss & Co. (Privately)	4%	1942-61	266,000	....	.....

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April 19, 1941

Aluminum Co.	13	French For. Inv.	4
Anglin-Norcross	10	Gatineau Pwr.	5
Anglo-Norwegian	4	Grt. Lakes Pwr.	4
Asbestos Corp.	5	Hiram Walker	4
B. A. Oil	4	Imperial Oil 10,	16
B. C. Power. 7,	11	Int. Bronze Pdr.	5
Burns & Co.	5	Inter. City Bak.	4
Calgary Pwr.	5	Inter. Paper	5
Canada Dry	4	Inter. Utilities	4
Canada North.	7	Legare Co.	13
Can. Col. Air.	4	Montreal Loco.	13
Can. Steamship.	7	Mt. Royal Htl.	5
Candn. Airways	3	Montreal Tram.	10
Candn. Indust. 4,	13	Noorduyn A. 4,	5
Candn. Lt. & P.	4	Northern Tele.	11
Candn. Motor L.	4	Orange Crush	5
Candn. Vickers	2	Ottawa Light	7
C. P. R.	13	Parisian L'ndry	4
Can. Westingh'se	4	Paramount Pict.	4
Capital Wire Cl.	10	Regent Knitting	11
Claude Neon	2	Robt. Simpson	13
Colonial Stmshp	4	Royal Bank	8
Cons. Diversified	10	Shipman Boxbds.	4
de Havilland	4	Stanfield's	11
Dom. Foundries	4	St. John Dry D.	2
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Easter Sales Soar High

(Continued from page 1)

Automobile sales which during the first two months of the year lagged considerably behind the record of a year ago, took a sudden spurt in March and that gain is believed to be continuing in April.

For the whole of Canada sales of passenger cars in February amounted to 6,728, down over a thousand from the same month a year ago. Complete figures for March are not available but for Ontario alone sales are reported to be 5,553 or up 400 from 1940. Even more activity in used car sales is reported.

While part of this buying is attributed to the war stimulated employment, some is also believed due to fear of higher taxes with the budget and especially to the threat of actual rationing. With factory production running well ahead of retail sales in recent months, however, there seems to be no likelihood of an immediate shortage.

Household Equipment

The situation in regard to durable household goods — refrigerators, stoves and radios—is not so clear. Generally sales are reported as at least equal to the abnormally high levels of last spring. In some instances they are higher.

The sharp increase in taxes imposed last December on these commodities and the cutting off of American supplies now seems to have disappeared as a current sales factor. Dealers report many new customers among those who, for the first time in years, are earning good and steady wages.

The rise in price following the December changes was cushioned to a great extent by the fact that retailers at the time were carrying unusually large stocks in their own warehouses and on such inventory the new taxes and import restrictions did not apply. This permitted a gradual raising of price and a continuance of supply.

Stocks Get Scarce

Now it is reported this stock is practically all gone and there is increasing difficulty in getting replacements even at higher prices.

The factories that normally make the radios, stoves and refrigerators, etc., are busy with war orders. Even if they had the time for their regular production, there is also the difficulty of securing raw materials and intricate parts. Many of the latter have usually been imported from the States and, while such import is still permitted, American factories are getting far behind in deliveries.

Had merchants been able to maintain their supplies of household equipment, then it is believed that sales this year would have continued to gain sharply, and this despite the 15 to 25% higher prices now prevailing.

In hardware sales which are reported to be running almost a 100% above a year ago, the gain is largely in industrial lines, that is tools and other items bought by industrial establishments rather than household or builders hardware. In the latter line, the emphasis is on cheaper types for temporary construction, such as government barracks, air school buildings, housing for factories.

CROP REPORTS

AS in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

These crop reports are telegraphed to various centres, from which they will be mailed free to all who require them.

Application to be put on the mailing list may be made in person or in writing at any Branch of the Bank.

The Bank also publishes throughout the year a monthly summary on business conditions. Copies of this are also available free on application.

BANK OF MONTREAL

Simpson's Has Your New Lightweight
Stetson "Playboy"

Weighs only about half as much as your regular-weight hat and it has a casually debonnaire quality that puts it in a class by itself! Wear the brim up all around, snapped in front, or down all around . . pinch the crown at the front, at the side, or wear it telescope style! New Spring shades of caribou grey, seacrest grey, belmont brown, moss green or Bermuda blue. Each $6.

Simpson's
THE STORE
FOR MEN—
STREET FLOOR

Supreme Test on Finance

(Continued from page 1)

quire something like this: Taxes yielding, say $1.4 billions, war savings of not less than $150 millions; a war loan of at least $750 million. Thus up to $700 millions would still have to be found, depending on the extent of financial assistance to Britain.

Meeting the $3 billions budget the hard, no-inflation way would mean drastic curtailment of living standards and cutting the residue of national income left for private spending down to a figure comparable with that in the worst years of depression.

Growing in official quarters here is the belief that there are two likely ameliorations of the fiscal situation.

Some doubt whether industry and men will be mobilized rapidly enough to permit the Government to spend—either on Canadian or British behalf—the sums now projected.

Deny Serious Results

Another group maintains that Canada's expanding production and the reserve of increased capacity still available will permit additional creation of credit without serious consequences.

It is pointed out that twice before during the war, the Canadian Government borrowed from the chartered banks in order to stimulate business and speed the increase in production by expanding credit.

Further such borrowings are probable. It is being argued that the price level should be allowed to advance; that the strict-anti-inflationary price control system has been too restrictive. It is pointed out that the cost of living is still about 14% below pre-depression periods when Canadians had quite a substantial national income.

"Factor In Full Production"

The argument that is heard in some official quarters for a higher price level rests on the contention that it is an indispensable factor in full production and employment and in the attainment of a sufficiently high national income to support the costs of war.

Key consideration, of course, is when Canada reached or will reach "full employment"—of men, machines and resources. On this point, Ottawa seems recently to have altered its view. For months, Ottawa has been saying that the nation was just on the point of attaining "full employment." Now Ottawa says full employment is still some distance off. It is argued that the country is still far from making full use of its machines, and resources; still a long way from getting every housewife and youth into production and lengthening the hours of work for present labor forces.

Still an Open Question

Practically, however, the question is wide open. No precise way has been found of ascertaining the practical, as opposed to theoretical, point of "full employment;" at which expanding the money supply means either wise therapeutic action to stimulate the national economy to still further activity or, on the other hand, is simply pouring more money into the national money system than it can properly use, thereby starting the inflationary process.

Technically, the difference of opinion among competent authorities here is concerned with this rather indefinite twilight zone about the location of whose boundaries brings such wide disagreement and confusion.

Basically, both groups agree, however, that the most desirable achievement and the sure road away from inflation is relative reduction of civilian spending. Ottawa's insistence on this view has brought it into clash with business groups who maintain that the war can best be financed by keeping the national income at the highest possible figure.

Taxes Have Cut Spending

A great many of the war policies of the Canadian Government, such as virtually prohibitive taxes on higher-priced cars, war savings campaigns have had the double function of raising money and of abating the upward thrust on prices by leaving fewer dollars in the hands of civilians to be spent in competition with the dollars which the Government must spend for war purposes. The Government has had numerous suggestions from businessmen that these restrictive policies have been unduly severe. They argue that so long as the national productivity can still be increased—while there are still goods and services left over after the Government has satisfied all its needs —spending by civilians need not have serious consequences nor put unnecessary strains on national productive machinery which is concerned mainly with fighting a war.

Generally speaking, official Ottawa is not so much afraid of inflation itself perhaps as it is of the general cry of "wolf." Such a cry it is felt would lead to the risk of creating a psychology of inflation, causing undesirable economic behavior on the part of great numbers of citizens such, for instance, as a flight from securities to property; from cash to tangible goods.

Economists have pointed out that admission of inflationary policies by officials has an effect entirely opposite to official interest and that loud official disclaimers of inflation have often accompanied inflationary actions.

The fact that a deficit would arise in Britain's account was not unexpected. It was foreseen just as soon as the Canadian war effort passed from the gearing up to the big production stage. The deficit is, moreover, a logical result of the repatriation programme, arising from the fact that the volume of securities to be repatriated was far beyond the capacity of the Canadian public to absorb. There would always be a residue of securities in the Bank of Canada, obtained from Britain for repatriation purposes for which little or no market, except on fire sale conditions, existed in Canada.

All that has happened is that the accumulation of securities in the Bank of Canada, added to perhaps by I.O.U.'s of the British Government, has increased, and the point has now been reached where the volume of Canadian dollars that the Bank of Canada will have to provide for British account, on the security of whatever collateral the British Government can supply, will range to the billion dollar or over mark, instead of only a few hundred millions.

Summary of the Reports In Lands, Forests Probe

Proration in the newsprint industry won varying degrees of support in the reports recently tabled in the Ontario Legislature by the Select Committee enquiring into the administration of the Department of Lands and Forests.

The majority report grants that proration has aided in giving the industry some measure of stability and obviates necessity for "government intervention." The minority report accepted proration as necessary but claimed it is not now properly imposed.

If the time should come, however, when the newsprint industry's own committee on prorationing needed active assistance from Ontario and Quebec governments, then the majority report recommends a joint board should be established. On this board there should be representatives of the two governments. It should act with definite legislative sanction of the two governments, something which is lacking for the present scheme, and be given power to conduct discussions with the industry's committee.

As a liaison between the industry and governments, such a board could offer recommendations to the two governments. Legislation could thus be brought down which would stamp out at the inception any conditions which might re-establish the unbalanced competition of former years.

Urges Specific Reference

Use of the Forest Resources Regulation Act to enforce proration is criticized by the minority report which contends that "if the Government intends to enforce proration by law, then the legislation passed for that purpose should refer to proration. It is an extremely dangerous principle to pass any law which purports to do one thing and is intended to do something else."

The minority report agrees in principle with the conclusions that proration is necessary at present, but maintains that there is a way of enforcing proration "far more effectively than under any indirect method devised by the Governments of Ontario and Quebec. Under the War Measures Act, there is no question about the right of the Dominion Government to control the output of newsprint or any other commodity."

Proration Holds Up Costs

The history of proration in other industries does not suggest the wisdom of holding this umbrella indefinitely over the industry, according to the minority report:

"Proration," it says, "is only necessary while an industry is not producing up to capacity and while that condition persists it is equally obvious that they are not producing at the lowest possible costs. When the war is over and world trade is resumed, the Canadian product will necessarily be forced to compete on a price basis with the products of other countries. They will not be able to do this unless the price of the product is based upon the maximum efficiency of production. For that reason the control which can be exercised by the Dominion Government for the duration of the war is adequate for the purpose of protecting the newsprint industry as a whole until it can work out some long term plan. This is something which should be undertaken by the members of the industry themselves. They should make direct representations to the Dominion Government."

Investigate Exemptions

The majority report urges that Ontario, Quebec and the newsprint industry should give unbiased study to exemptions from proration granted to several newsprint mills which are wholly, or partially, owned by U.S. or British publishers. It goes on to say:

"Generally speaking, those exemptions were granted to companies which were not competing in the commercial market or to companies which were producing exclusively for their own consumption. In these instances, fluctuation of prices or other trade considerations do not concern them directly.

"Such companies were induced to invest capital here in the province and they are in turn consuming their own product. If these companies are placed under obligation to prorate, they will be compelled to limit production in their own mills and go into the open market and purchase for their own use a product at a higher price than that for which they themselves are producing it.

"Such a condition would not, in the opinion of the committee, be conducive to healthy business practice."

Critical of Old Contracts

The minority report reviews eight contracts signed by Minister of Lands and Forests, Hon. Peter Heenan, in 1937. All required the companies to build pulp and paper mills within a fixed period of time which has long since expired.

These companies were: Lake Sulphite Pulp Co.; General Timber Co.; Pulpwood Supply Co.; Huron Forest Products; Sault Pulp Products; English River Pulp and Paper Co.; Vermilion River Pulp Co.; Western Pulp and Paper Co.

Though all of these companies undertook to build a mill, only Lake Sulphite actually started work and it went into bankruptcy before the mill was completed. None of the concessions had been cancelled, however, up to the time evidence before the enquiry closed. Some companies, it was alleged, were making use of the valuable rights to export pulpwood which rights were conditioned upon the construction of a mill.

The minority report recommends that a judicial enquiry should be held into the whole Lake Sulphite situation, stating that:

"The conduct of the Minister in this transaction was most reprehensible. His recommendation for the order-in-council misrepresented the true financial position of this company and also misrepresented the position in regard to the limits then held by other companies."

Investigate Pulpwood Export

Both reports discuss the question of policy on export of pulpwood from Ontario at considerable length. The minority report maintains that there should be a careful and comprehensive investigation of the effects of exports on the Canadian industry. This, it is held, should be carried out by independent experts.

The majority report states a pulpwood export policy should "have full and absolute regard for the competition which has existed." Export of pulpwood should at no time prejudice the position of Ontario mills, nor should it create economic disturbance or unemployment. The majority report concludes:

"The committee concludes its findings on this phase by recommending that the Department of Lands and Forests in permitting the export of pulpwood should be subject to review at least every year. Such review should be made with due regard for domestic and foreign conditions in the pulpwood markets."

Commission Turned Down

Efforts by the opposition group in the Ontario Legislature to have the province adopt the idea of a commission form of regulation of the province's forest resources were not successful.

The idea arose out of the minority report which alleged "incredibly unbusinesslike methods of the Minister in dealing with the most important affairs of his Department."

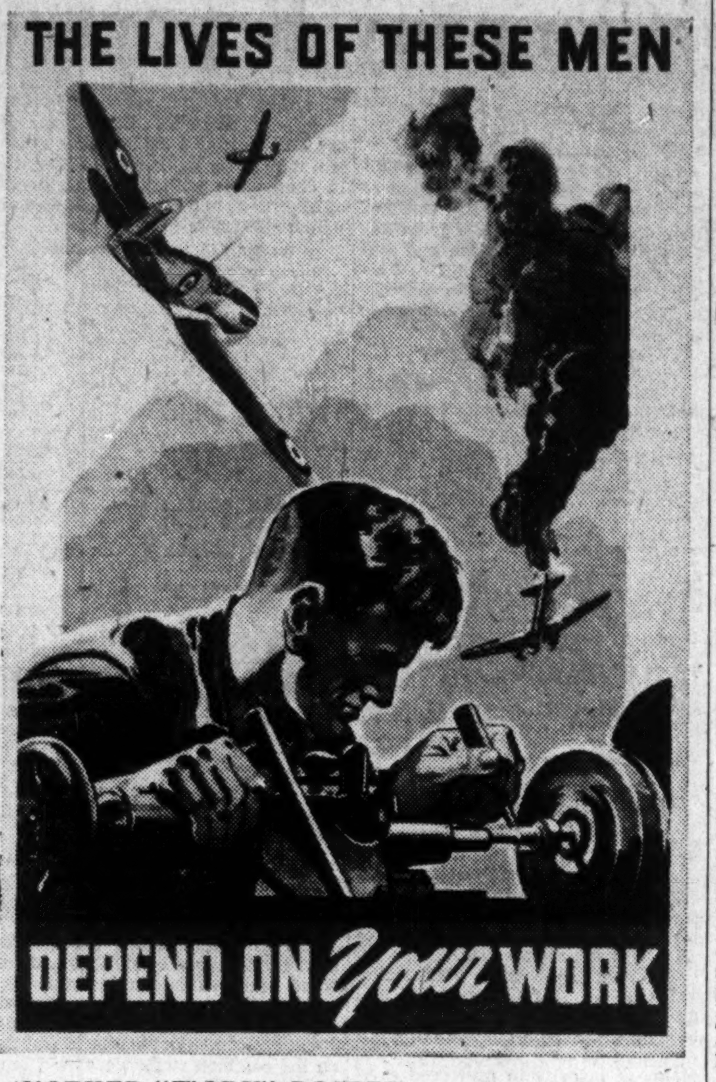
"It can be definitely stated that there should be sweeping and drastic changes in the policy of controlling of forest resources. No matter what form of control is established it cannot be stated too emphatically that the administration of our forest resources should be under someone who recognizes the vital importance of efficient business methods in handling the most complex and possibly most important of our provincial assets."

Want Major Change

The major change recommended by the minority report is:

"An Ontario Forest Resources Commission should be set up to exercise full control over the administration, conservation, reforestation, and industrial utilization of our forest resources. We believe this should be organized along similar lines to the Ontario Hydro-Electric Power Commission. It should be the only body having authority to make contracts for timber concessions. Having regard to the fact that public assets worth hundreds of millions of dollars are involved, the Commission should be completely divorced from politics and placed under the direction of men of the highest type of business ability.

"It should be the duty of this Commission not only to administer and protect the present forest resources, but it should also be their duty to lay plans for the future so that the greatest possible amount of employment may be assured for the critical days following the war."


THE LIVES OF THESE MEN
DEPEND ON Your WORK

ANOTHER "WORK" POSTER

Third poster in the series being distributed throughout the Canadian aircraft industry is this one donated by Canadian Car & Foundry Co., Ltd. This poster is being distributed to the aircraft plants in Canada this week. Purpose of the series of posters is to impress the aircraft workers with the vital and direct responsibility they have in the war effort.

Can. Airways Drops Maritimes

Canadian Airways Ltd. announces its complete withdrawal from the Maritimes where it has been in business for 13 years.

G. W. Hutchins, executive vice-president, states that this action was made necessary when the Postmaster General announced that Trans-Canada Airways was taking over a portion of its contracts in the Maritimes which represented over 35% of its entire revenue in that district. Faced with the prospect of heavy losses, the company advised the Post Office Department that it would be unable to continue any operations after April 15 unless adequately compensated. The Post Office Department has advised that it would be relieved of all its Maritime contracts from that date.

The cancellation was originally made by virtue of a clause in the contract giving the Postmaster General the right to annul the agreement on 30 days' notice.

Canadian Airways signed two contracts in 1940 for four years with the Post Office Department to carry mail from Moncton to Halifax, Saint John, Summerside and Charlottetown and from Charlottetown to the Magdalen Islands during the winter months.

To carry out these contracts the company purchased two twin-engine, six-passenger Beechcraft for about $200,000, including radio and other facilities.

In 1940 the company's net loss in the Maritimes was $17,636, but Mr. Hutchins states: "We were hopeful that we would show a profit in time."

Ontario Hydro Load Up 9% Reflecting War Work Pace

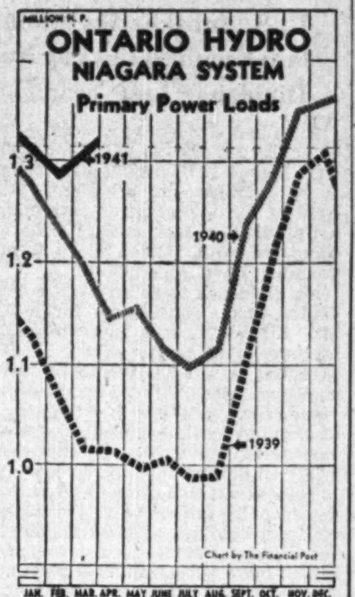
Reflecting the increasing pace of war industry, primary power load of Hydro-Electric Power Commission of Ontario is steadily reaching for new peaks. March figures show a gain in the important Niagara System primary peak load of 9.9% over the corresponding month of 1940. This is the system which reflects the rising industrial rate to the greatest extent.

March peak load moved contrary to the normal seasonal downward trend when it is substantially above February. It is understood that heavy loads for important new factories are just coming in and more than offsetting the normal seasonal decline. This condition is likely to continue for some months.

In horsepower the gain last month over a year ago is 120,000 but compared with March, 1939, it is a gain of 300,000 h.p.

Largest increase on a percentage basis for March is shown by the Georgian Bay system with 21.3% for primary power. This is followed by one of 12.9% for Eastern Ontario.

Only section to show a larger increase for the combined primary and secondary power is the Northern Ontario Properties with 2.9% for primary but 20.4% for the combined primary and secondary load. In the other power consuming sections, rise in demand for primary power has been satisfied to a large extent by cutting off sales of secondary power. No secondary power is being sold this year in the Eastern Ontario, Georgian Bay or Thunder Bay Systems. In the more highly industrialized Niagara system, 221,000 h.p. of secondary power was sold at the March peak, compared with about 190,000 h.p. in March, 1940.



System:	Max. 20-Min. Peak H.P. March 1941	March 1940	Incr. %
Primary Loads:			
Niagara	1,324,129	1,204,960	+9.9
Eastern Ont. .	152,452	135,016	+12.9
Georgian Bay .	38,272	31,548	+21.3
Thunder Bay .	91,153	88,472	+3.0
Northern Ont..	204,771	198,988	+2.9
Total	1,810,777	1,658,984	+9.1
Primary and Secondary Loads:			
Niagara	1,505,094	1,391,823	+8.1
Eastern Ont. .	152,452	139,098	+9.6
Georgian Bay .	38,272	32,889	+16.4
Thunder Bay .	91,153	88,472	+3.0
Northern Ont..	263,886	219,095	+20.4
Total	2,050,857	1,871,377	+9.6

Drive Against "Co-operatives"

(Continued from page 1)

nancing new dairy plants in competition with privately-owned concerns and in the case of Alberta at least for financing competition with other dairy pools.

The case of the Northern Alberta Dairy Pool has been cited as an example of the value of the tax exemption enjoyed by a typical dairy pool.

In 1940 this organization reported a net profit of over $124,000. Had this been a private company, it would have contributed over $60,000 in Dominion and provincial income taxes. Being classed as a co-operative it was exempt.

This organization is in direct competition with several private dairy companies which buy, process and sell dairy productc in the same district.

Another instance is cited from Saskatchewan. Recently in this province a privately owned dairy, which previously had contributed substantial income taxes to the Dominion treasury was bought by the Saskatchewan Dairy Pool. Now this dairy will contribute no more income taxes while the present exemption remains.

Big Business

Total business done by co-operatives in Canada in 1939 is estimated by the Dominion Department of Agriculture at over $200 millions, a growth of almost 100% since 1932. Surplus reserves, and capital of these organizations during the same period have increased from $46.4 to $53.5 millions.

On the status of these reserves, it is said, will largely depend the decision to tax or continue the exemption. In Great Britain it is understood reserves are considered taxable on the grounds that they represent undistributed income.

How one busy executive "stepped up" his personal efficiency

● Mr. R........., an extremely capable business man, found that much of his time and attention were being diverted by personal investment matters. He finally decided to have the Crown Trust Company take over the management of his investments. An arrangement was made whereby we could not only manage his investments, but also would pay the income to his aged mother and a sister, whom he was supporting. Thus, with a stroke of his pen, he freed his mind of many worries — to the immediate benefit of his business.

Crown Trust Company

Executors :: *Trustees* :: *Financial Agents*

MONTREAL TORONTO

Specify BP TILE FLOORINGS

The Original Canadian Asphalt Tile Floorings

DURABLE • COLOURFUL • RESILIENT

FIRESAFE • WATERPROOF • SIMPLE MAINTENANCE

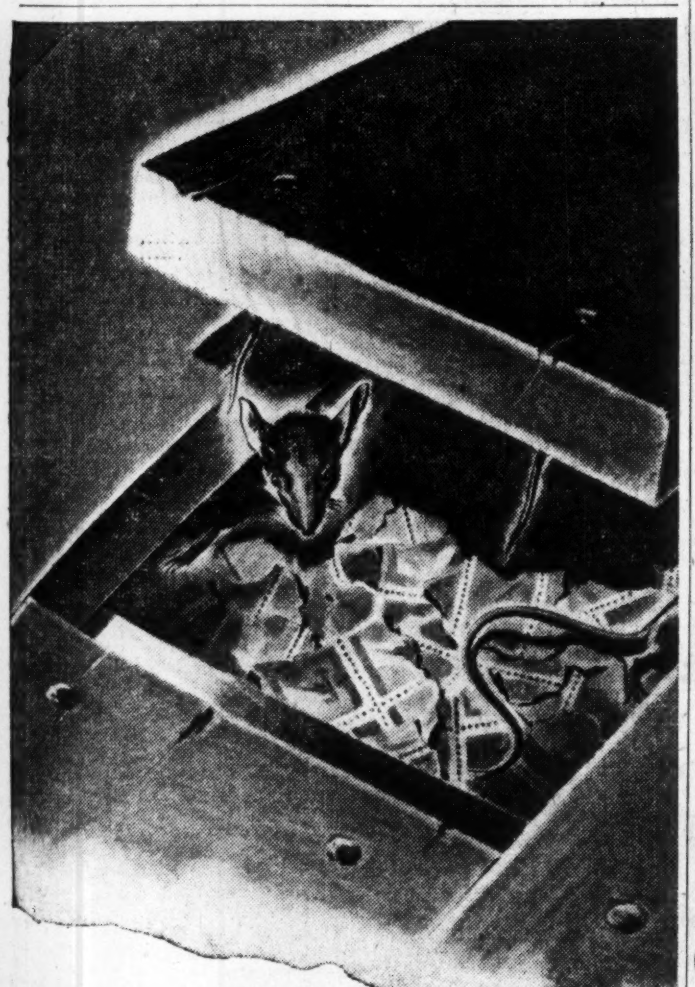
Decorative Tile for Offices, Schools, Churches, Hospitals, Residences

Asphalt Industrial Flooring for Trucking Areas

Produced in Canada

BUILDING PRODUCTS LIMITED

Montreal Toronto Hamilton Winnipeg Saint John Halifax



Dollars down a rat hole!

OFTEN *a salesman "smells a rat"—but this Postage Meter salesman actually saw one!... The mailroom manager was telling him why he didn't need a Postage Meter. His boys were all experts, and honest as time clocks. Just then a rat scurried across the room, bits of colored paper in its mouth ... When the flooring in the corner was pried up, there was a rat's nest, tastefully lined with $62.00 of unused postage stamps!*

A Pitney-Bowes Postage Meter is no pied piper—but it does exterminate stamp losses, leaks and borrowings. Not even a rat steals from a Postage Meter—because there isn't anything to steal! Every Meter stamp is a custom job, *printed* directly on the envelope, in any value needed. A postmark and small poster advertisement are printed—the envelope flap is sealed at the same time—all in a split second! So mailing—letters or parcel post—is easier, faster; saves time, postage and worry. The Meter does its own accounting. And Metered Mail moves faster in the postoffice, often makes earlier trains.

The convenience of a Postage Meter, alone, is often worth more than its cost! And it costs so little today that almost any business can profitably use one ... Ask our nearest office for a demonstration in yours ... or send the coupon—now!

... Canadian Postage Meters & Machines Co. Ltd., *181 West King St., Toronto, Ont.... 231 St. James St. W., Montreal, Que.... Agencies in principal cities.*

The Pitney-Bowes POSTAGE METER

Canadian Postage Meters & Machines Co., Ltd.
181 West King St., Toronto (Tel. AD. 0048)
231 St. James St. W., Montreal (Tel. PL. 2764)
☐ Mail me "The Great Grimblestone Survey"
☐ When may we have a demonstration?
Name
Company
Address

WHAT IS THE SECRET
–of Ford Truck Leadership?

In 1940, for the sixth year in succession, Ford Trucks led every other make of truck in sales in Canada. They have led in sales in Canada in twenty-two out of the last twenty-six years.

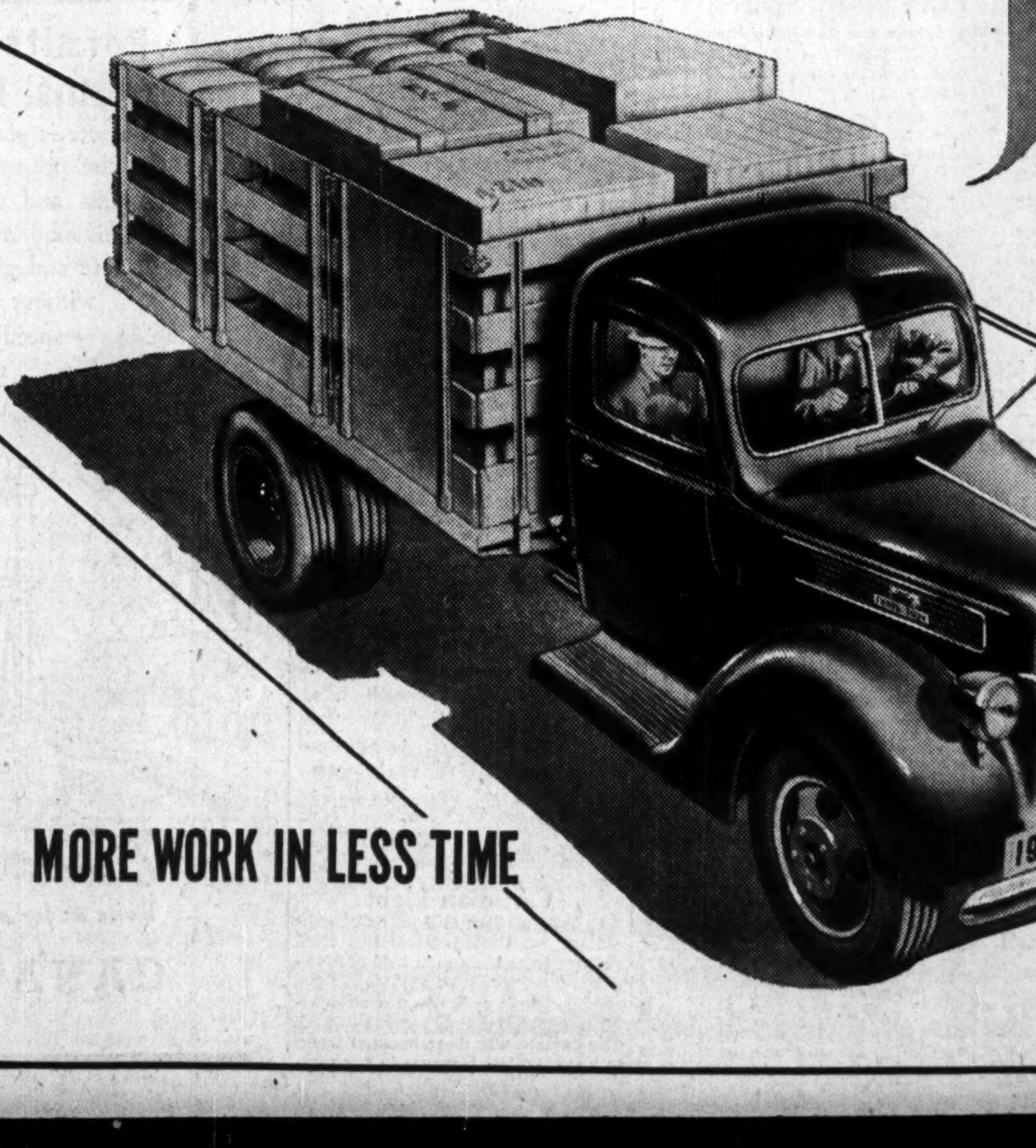
What is the secret of the continued leadership of Ford Trucks year after year? Simply this—Ford Trucks have repeatedly proven their ability to do more work in less time at lower cost.

They give greater value, greater reliability, greater economy, with less time off for overhauling. Ford Trucks haul heavy loads faster and at lower cost because they develop higher torque over a wider range of speeds —speeds at which trucks operate most efficiently.

See your Ford-Mercury dealer, and arrange for a test on *your* job with *your* driver.

Ford Trucks are in the thick of the lumber business on the Pacific Coast ... lugging the farmers' produce and wheat and serving the cities of the Prairie Provinces ... they're beasts of burden for the mines, factories, farms of Ontario ... cutting costs in Quebec's great industrial projects ... helping the fisheries, mines and shipping interests of the Maritimes ... 60,000 Ford military trucks are now serving the armies of the Empire

FORD V-8 TRUCKS



MORE WORK IN LESS TIME AT LOWER COST

Investment Trends

War News Puts Stocks In Low Testing Ground

Breaking of 1941 Low Suggests Possible Trying of Resistance at Levels of Last May-June Depending On News

With no lessening in the flow of disturbing news from the battle fronts, stock markets are hardly to be wondered at if new 1941 lows have been hit. Actually the Toronto Stock Exchange industrial index was the only major one in Canada or the United States to hit new 1941 lows up to the close on April 15.

Breaking of the February lows would indicate the possibility of a real test of the lows of last May and June. In the long-drawn recovery from the levels of almost a year ago, there has been no real test of the support to be found at those levels as yet. Although such a test may not be regarded as an essential preliminary to the start of a major upward move, it would be following the more orthodox type of development.

So far, however, stock markets have a considerable distance to go before threatening the lows of 86 for the Toronto industrial index and 111.84 for the New York Dow Jones industrial average.

There have been important changes in background conditions over the past year. For example, The Financial Post Business Index was at 136.2 in May, 1940, while the latest available figure is 152.5 for February this year. Employment in all industries in Canada was at 135.3 at March 1 this year compared with 114.3 at May 1 last year. Other indices show a similar trend, indicating continued support for company earnings.

Unless strikingly favorable news comes from the war, however, it would be surprising if stocks initiated any important upward move in the near future. Day-to-day war news is likely to continue to be the determining factor in deciding direction of trend.

* * *

Excess Profits Tax

With sufficient time now elapsed to permit fairly complete study of the changes to be made in the Excess Profits Tax Act, opinion seems to be that major inequities have been removed. It was not primarily with the rate of taxation that taxpayers had a quarrel. They recognized the necessity of directing all available resources toward a war-winning effort. Many industrial leaders, in commenting on the tax situation this year, mention the opportunity given to them for service to the country rather than stressing former complaints about too-heavy tax burdens.

In the important direction of getting some freedom of choice in determining the base period and standard profit, relief has been given. The requirement that the base period is to be adjusted to the calendar years and that a year of unduly low earnings need not be included in determining the average standard profit gives important relief to many companies. Losses were fairly common in 1936 and 1938 particularly. The enlarged provision for inventory reserves is of probably equal importance. Of less interest to the investor, but of great help to hundreds of small businesses throughout the country, is the provision that no excess profit tax will be imposed which will reduce profits below $5,000.

* * *

Publish Rulings

An important principle seems to have been reaffirmed that tax authorities are willing to listen to responsible representations where mistakes are made and that they have no desire to be unfair.

One further step could have been taken, it would seem. This is the publication of rulings by the income tax department. It seems unfair that a taxpayer should have to pay taxes which he is not required to pay merely because he has not access to the major rulings in cases similar to his own and does not realize that he has a problem at all. If these decisions in typical cases were more readily available for the public, it would greatly simplify the problem of the taxpayer.

* * *

Whisky Taxes

Investors in Hiram Walker-Gooderham & Worts and Distillers Corp.-Seagrams will be interested in reports from the United States that the coming Federal tax bill is going to include an increase of from $1 to $2 a gallon in tax on distilled spirits and one of from $1 to $4 a barrel on beer. Soft drinks are likely to pay Federal taxes for the first time since 1934.

Last July, the U.S. Federal tax on distilled spirits was upped 75 cents a gallon. Sales in the months immediately prior to the tax raise jumped to record proportions as retailers, wholesalers and consumers stocked up to avoid the higher prices. It was followed by a relative drop in the months immediately following the tax boost.

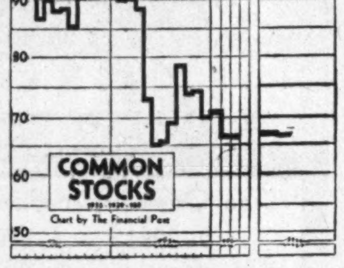
This same effect on sales can be expected if and when the larger tax increase now being talked of goes into effect. Of more permanent importance, however, is the prospect that taxes of the level to be expected will reduce sales, and therefore earnings. Gallonage sales for the industry as a whole since last July have been running below comparable months prior to the tax increase in spite of the higher incomes in the U.S. On the whole higher taxes are an unfavorable factor in the outlook for this group of companies.

E. Gordon Wills Joins Stock Exchange Board

E. Gordon Wills has been appointed a member of the managing committee of the Toronto Stock Exchange to fill the vacancy occasioned by the resignation of Lieut. Hector C. Mitchell, who is now on active service. Mr. Wills had previously served on a managing committee for a number of years and is a former president of the Exchange.

MORE D. F. S. SHARES

Dominion Foundries and Steel Ltd. announces that an additional 3,449 common shares have been fully paid for under the employees' stock purchase plan. This leaves a balance of 7,188 partly paid common shares. Issued capital is now 357,825 common shares and 12,000 preferred shares.



Market Opinions

With a major decision on the war front apparently in the making, students of stock market indicators have been watching for key points.

Brookmire Counselor, N.Y.—While news of British reversals naturally brings repercussions to the stock market, the surprise element prevailing a year ago is now lacking—after all the fears have been proclaimed time and again. This is a time for the investor to continue alert to military developments, by all means, yet to avoid any semblance of defeatism—even if more reversals should come. The low levels of stock prices relative to earnings and dividends have discounted much bad news and warrant clients in maintaining well-balanced portfolios of sound companies in promising industries.

* * *

Baron's, N.Y. (Dow Theorist)—The immediate situation is that both industrial and rail averages are testing the February lows. This kind of situation frequently presents an opportunity for Dow theory speculators to buy in hope of catching a bottom, but also to be in readiness to recognize error and sell if the averages break the lows being tested. Such speculation might be undertaken now, preferably in the rails because of their stronger action, but anyone doing so should recognize the uncertain implications of recent volume indications.

The orthodox Dow theory interpretation, based on the principle that a trend is held to be still under way until reversed by a definite signal, continues to be that we are in a secondary downtrend of a primary bear trend.

* * *

Barron's N.Y. (The Trader)—While the fact that both New York and London stock markets have taken the grim Balkan news with conspicuously less emotionalism than a year ago does not of itself demonstrate that the worst has been discounted, it does reveal a tremendous contraction in the volume of price liquidation.

By the same token the inference from low volume of trading and moderate price declines in both London and New York is that something more decisive, so far as war news goes, must occur to bring about demoralization comparable to that of 1940.

Foreign Exchange

During the week Apr. 8 to Apr. 14 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Apr. 14

Australia	3.58	N. Zealand	3.61
India	.3372	S. Africa	4.47
Japan	.2608	Hong Kong	.2741

B. A. Oil Sales Set Record

U. S. Subsidiaries Maintain Earnings But Pay No Dividends Last Year

Sales and Canadian gross receipts of British American Oil Co. for 1940 were highest in its history, according to A. L. Ellsworth, president. In spite of the higher gross revenues, net profits are lower at $1.11 a share compared with $1.24 a share from Canadian operations in 1939.

No dividends were received from United States subsidiaries for 1940. Mr. Ellsworth tells shareholders, however, that profits of the U. S. subsidiaries were $1,113,815 in 1940 compared with $1,019,033 for the previous year. He states that retention of earnings by U. S. subsidiaries was considered advisable to increase crude oil production and reserves. It is pointed out that, in spite of withdrawal of 3½ million barrels of crude oil from holdings of the company's subsidiaries last year, crude oil reserves were substantially higher at the end of 1940 than at the beginning.

Taxes $1.66 a Share

Mr. Ellsworth states total Dominion, provincial, municipal sales and other forms of taxation, but not including provincial gasoline taxes, equalled $1.66 a share on the outstanding capital last year.

For the first time in the company's history total sales of all products exceeded 250 million gallons. Supplying gasoline, both aviation and ordinary motor grades, fuel oil and lubricants for national defense purposes was an important part of the company's activities last year. This was aided by the change in marketing policies adopted two years ago.

Mr. Ellsworth refers to the company's plans for erecting a lubricating oil refinery on the shores of Lake Ontario, south of Clarkson, Ont. Equipment for this plant has been ordered and construction is to commence immediately, he states.

Zeller's Sales Advance Over 25% This Year

From Our Own Correspondent

MONTREAL. — Sales of Zeller's Ltd. increased by 24.25% during March and by more than 25% during the two months ended with March, according to a report to Montreal Stock Exchange.

Sales last month totalled $605,061 compared with $486,968 same month, 1940. From Feb. 1 to March 31 cumulative sales amounted to $1,079,519, an increase of $213,646 over the same two months in 1940.

Investment Notes

Canadian Westinghouse — Technical instruments to the amount of $445,077 have been ordered from the company by the Department of Munitions and Supply in the week ending March 28.

* * *

Dominion Foundries and Steel—Ordnance to the value of $333,057 was ordered from this company by the Department of Munitions and Supply in the latest list of contracts.

* * *

De Havilland Aircraft—This company received a capital expenditure grant totalling $263,265 from the Department of Munitions and Supply in the week ended March 28.

* * *

S. E. C. report of security transactions and holdings contains the following of Canadian interest:

Canada Dry—J. M. Mathes, officer and director, held no common shares directly, but through Jarumaha & Co. acquired 1,200, holding 2,020.

Canadian Colonial Airways—A. C. Dick, officer and director, acquired 100 common shares, bringing holdings to 600.

McIntyre-Porcupine — Balmer Neilly, officer, acquired 100 shares, holding 1,555.

Paramount Pictures — A. C. Keough, officer and director, acquired 1,000 common shares, holding 1,559; he also held 423 6% second preferred. Manufacturers Trust Co. held 5,710 6% first preferred and acquired $392,800 of 3¼% debentures, holding $3,392,800.

Hiram Walker-Gooderham & Worts—T. H. Gibbons, officer, holds 245 common shares and disposed of 100 preference shares, retaining none.

Inter. Utilities Corp. Lists More Shares

From Our Own Correspondent

MONTREAL. — Montreal Curb Market announces 81½ additional class B shares of International Utilities Corp. were called for trading April 12. These will be issued in exchange for shares of the common stock of American Equities Co. Total number of class B shares outstanding is 1,252,270½, including 4,351 shares to be issued in exchange for shares of American Equities Co.

MOODIE CUTS DEBT

J. R. Moodie Co., Hamilton, has reduced its outstanding 6% first mortgage bonds from $453,500 to $412,500. The bonds are due July 1, 1948.

B. A. Oil

British American Oil Co. reports net profits for 1940 equivalent to $1.11 a share on its common stock. The past year's earnings were entirely derived from Canadian operations, no dividends being received from United States subsidiaries last year. On the same basis, net profits from Canadian operations were equivalent to $1.24 a share in 1939 but that year an additional 17 cents a share was realized from U. S. dividends.

Gross revenue was up $810,287 to $7 millions. Depreciation was $240,000 higher while Canadian income and excess profits taxes were more than double those of 1939.

Balance sheet shows cash at $1.8 million only slightly under the 1939 level. Increased inventories account for the major portion of the increase of about $1 million in current assets. Fixed assets, after depreciation, are slightly lower at $18.6 millions, although plant and equipment is up about $900,000 before depreciation. Investments in other companies, including Alberta oil properties, are up $321,876 at $682,083. Investments in U. S. subsidiaries are unchanged at $1.8 million. Debentures outstanding have been reduced to $7¾ millions from $8.5 millions a year ago.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	6,981,412	6,171,125
Less: Legal fees, exec. sals.	153,556	161,010
Directors' fees	14,000	14,000
Net earnings	6,813,856	5,996,115
Less: Depreciation	1,760,416	1,524,016
Debenture interest	232,709	200,669
Income & E.P. taxes	1,735,738	832,890
Net from Can. opers.	3,084,993	3,438,540
Add: Divs. from U. S. subsids.	......	465,375
Net profit	3,084,993	3,903,915
Less: Dividends	2,772,642	2,772,642
Surplus for year	312,351	1,131,273
Add: Prev. surplus	13,088,062	11,319,289
U. S. divs. applic. prev. year	......	637,500
Surplus forward	13,400,413	13,088,062
Earned per share:		
Canadian opers.	$1.11	$1.24
U. S. subsid. divs.	nil	0.17
Total	1.11	1.41
Paid	1.00	1.00
Shares o/s, n.p.v.	2,772,642	2,772,642

Working Capital

	$	$
Current assets	16,467,892	15,433,843
Current liabilities	4,207,328	2,722,856
Working capital	12,260,564	12,710,987

Great Lakes Power

Revenue of Great Lakes Power Co. in 1940 was approximately $223,600 above 1939. Increase reflected rising activity of the company's customers, which include Abitibi Power & Paper Co., Algoma Ore Properties Ltd. and Chromium Mining & Smelting Corp. Energy sold to the city of Sault Ste. Marie for resale and to customers in rural areas increased $18,400 in the year.

Total energy sales in 1940 were 313,948,184 kw.h. compared with 245,891,550 in 1939.

International Transit Co., wholly owned subsidiary, had operating revenue of $114,738, $16,201 lower than in 1939.

Payment of $60,000 in common dividends was the first payment since 1937.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating revenues:		
Electric	1,058,932	835,479
Hydraulic	62,854	62,854
Ferry	59,180	84,248
Railway	55,559	46,691
	1,236,525	1,029,272
Less: Operation cost	250,905	207,548
Maintenance	50,863	53,279
Depreciation	215,000	159,000
Income taxes	90,896	43,842
E. P. Taxes	47,413	......
Other taxes	54,627	54,286
Net oper. income	526,821	511,317
Add: Other income	3,873	1,296
Gross income	530,694	512,613
Less: Bond interest	279,852	280,625
Amortization	18,934	23,104
Other int., etc.	2,827	8,084
Net profit	229,081	200,800
Less: Preferred divs.	52,500	52,500
Common dividends	60,000	......
Surplus for year	116,581	148,301
Add: Prev. surplus	1,713,540	1,565,239
	1,830,121	1,713,540
Earned per Share:		
Preference	$30.54	$26.77
Paid	7.00	7.00
Common	5.89	4.94
Paid	2.00	......
Times Bond Interest Earned:		
Before depreciation	2.66	2.39
After depreciation	1.90	1.83

Working Capital

	1940	1939
	$	$
Current assets	328,274	229,630
Current liabilities	397,625	152,955
Working capital	*69,351	76,675

*Excess of current liabilities over current assets.

Noorduyn Aviation

Noorduyn Aviation Ltd. reports a loss in 1940 of $22,808, as against a loss of $15,115 the year before. Last year's statement does not take into account profits in respect to progress payments.

Balance sheet as at Dec. 31 last reflects several changes consequent upon the rapid expansion in operations. Among liabilities appears a bank loan of $500,000 and accounts payable on contracts of $1,779,616. There were outstanding at the end of the year $318,900 of the 5½% convertible notes. Part of the note issue, originally for $500,000, was converted into common stock, increasing outstanding shares from 83,500 to 93,500.

Inventory of raw materials and work in progres sis shown at $2,284,179, as against $89,262. Investment in fixed assets jumped from $55,725 to $823,387.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Sales	492,879	......
Less: Cost of sales	*512,897	......
Note discount	2,790	......
Loss for year	22,808	15,115
Previous deficit	56,213	41,098
Deficit forward	79,021	56,213
*Includes:		
Depreciation	5,646	......
Exec. salaries	41,546	......
Legal fees	3,559	......
Directors' fees	1,080	......

Working Capital

	1940	1939
	$	$
Current assets	2,627,926	149,330
Current liabilities	3,057,415	64,147
Working capital	*429,489	85,183

*Excess of current liabilities.

Canadian Light

Canadian Light & Power Co., subsidiary of United Securities Ltd., reports gross income in 1940 of $446,906 and net profit of $33,260. In the previous year gross revenue amounted to $430,590 and net profit $42,699. The decline was due almost entirely to a substantial increase in tax payments. Net profits on the capital stock were $1 a share, as against $1.28 the year before.

There are few changes in the balance sheet. Net working capital of $531,506 compares with $529,708. Bonded debt was reduced from $2,778,400 to $2,686,300. Cash and call loans declined from $158,187 to $66,461. This was offset by an increase in investments from $424,879 to $534,466.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross income	446,906	430,590
Less: Oper. expenses	170,264	158,738
Net earnings	276,642	271,852
Less: Depreciation	88,000	90,000
Bond interest	137,474	133,153
Tax reserve	17,908	......
Net profit	33,260	42,699
Less: Dividends	33,248	33,248
Surplus for year	12	9,451
Previous balance	18,977	16,742
Less: Inc. tax paid	8,539	7,216
Surplus forward	10,450	*18,977

*Subject to income tax.

Earned per Share	$1.00	$1.28

Working Capital

	$	$
Current assets	658,298	630,242
Current liabilities	126,792	100,534
Working capital	531,506	529,708

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Weekly Figures:												
Mar. 6	72.1	61.5	69.8	48.7	101.7	87.6	93.7	75.0	67.0	90.2	70.0	65.8
Mar. 13	73.0	63.7	69.7	49.0	103.0	88.8	93.6	75.5	66.3	89.7	70.2	66.3
Mar. 20	74.4	68.3	69.2	49.9	102.5	88.1	93.8	79.6	67.6	89.7	71.2	67.2
Mar. 27	73.9	65.8	69.4	50.2	103.5	87.6	93.9	80.8	67.7	90.0	71.2	67.3
Apr. 3	74.6	64.8	70.4	49.8	103.0	87.7	91.9	80.3	65.7	89.6	71.1	67.3
Apr. 10	73.7	64.8	68.3	50.2*	102.3	88.2	89.5	78.4	62.0	89.3	68.1	66.5
Mo. ago	73.0	63.7	69.7	49.0	103.0	88.8	93.6	75.5	66.3	89.7	70.2	66.3
Yr. ago	107.8	122.9	114.9	77.7	135.9	116.7	108.8	106.3	93.3	102.6	93.6	90.0

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 15	89.88	98.11	62.32	18.17
Apr. 14		Holiday		
Apr. 12	89.86	98.51	62.17	18.12
Apr. 11		Holiday		
Apr. 10	90.08	98.42	62.44	18.05
Apr. 9	90.28	98.64	63.23	18.06
Month ago	92.40	99.81	63.07	19.14
Year ago	122.69	110.58	81.77	31.61
High 1941	103.48	109.76	69.33	21.62
Low 1941	89.62	97.36	62.17	18.01

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Apr. 15	44.9	55.6	52.0	64.82	76.00
Apr. 14			Holiday		
Apr. 12	45.3	55.6	52.2	64.37	76.24
Apr. 11			Holiday		
Apr. 10	45.4	55.8	52.3	64.52	76.30
Apr. 9	45.9	55.8	52.5	64.73	76.19
Month ago	48.9	57.4	54.6	64.45	76.32
Year ago	66.6	86.0	79.5	145.16	86.37
High 1941	54.3	66.4	62.3	82.25	79.99
Low 1941	45.3	55.1	52.2	61.02	75.77

Company Reports

Traders Finance Corp.

Traders Finance Corp. reports net profits for 1940 equivalent to $2.81 a share on the combined classes A and B common shares, after allowing for interest on funding rights and preferred dividends. This compares with $3.29 a share for 1939.

The company had outstanding 13,851 series A funding rights and 6,388 series B funding rights at the end of 1940. Non-cumulative dividends of $1 are payable on these rights in priority to preferred dividends. Balance sheet as at Dec. 31 last shows notes receivable, secured by lien contracts, amounting to $13.5 millions. This compares with $11.5 millions a year earlier. Bank loans total $8.9 millions compared with $7.2 millions.

Rt. Hon. Arthur Meighen, president, states that earnings of subsidiaries of Canadian Insurance Shares Ltd. were satisfactory. The company has established Trans-Canada Credit Corp. as a wholly owned subsidiary to conduct a class of financing distinct from the company's principal business, which is retail and wholesale purchase of receivables arising from sale of automotive equipment.

The company has now completed redemption of its 7% series B preference through proceeds of sales of $700,000 of 3½% serial debentures. The savings resulting from this operation will accrue in 1941 operations.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Financing income	1,680,139	1,536,880
Add: Other income	47,592	26,083
Total income	1,727,731	1,562,963
Less: Bank interest	473,393	412,615
Expenses	569,767	533,327
Equipment purch.	34,436	26,945
Salaries and fees	54,848	52,734
Income & E. P. tax	221,087	137,289
Net profit	374,150	400,054
Less: Int. on fund. rts.	20,130	20,130
Series A divs.	147,402	146,146
Series B divs.	44,814	44,237
Surplus for year	161,804	189,541
Add: Prev. surplus	1,018,253	828,712
Surplus forward	1,180,057	1,018,253
Earned per Share:		
A and B pref.	$11.43	$12.28
Paid A	6.00	6.00
B	7.00	7.00
A & B common	2.81	3.29
No dividends paid.		

Can. Motor Lamp

Canadian Motor Lamp Co., Windsor, reports a large increase in operating profits for 1940. The much heavier taxes and other charges provided, however, have resulted in net profits of $2.69 a share on the class A compared with $3.35 a share for 1939. Dividends paid last year were 20 cents a share on both the class A and B shares.

Balance sheet reflects the larger scale of business. Current assets include $337,039 receivable from the Department of Munitions and Supply, of which $139,128 was received between the end of the year and the date of preparing the report. Inventories total $253,753. Bank loans of $89,937 are shown. In addition, there is a temporary bank loan of $351,000 in connection with the Department of Munitions and Supply contracts of which $140,000 has been repaid.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating profit	269,047	147,681
Less: Exec. salaries	22,711	16,200
W/o tools & dies	22,788	3,345
Depreciation	20,126	13,325
Interest paid	4,191	6,239
Legal fees	349	213
Life ins. prem.	224	231
Directors' fees	100	60
Net earnings	198,558	108,008
Add: Misc. revenue	5,202	2,284
Less: Inc. & E. P. tax	127,250	19,000
Net profit	76,510	91,292
Less: Dividends	23,152	20,000
Surplus for year	53,358	71,292
Add: Prev. surplus	193,670	121,426
Tax adjust.	3,152	951
Earned surplus fwd.	247,028	193,670
Earned per Share:		
Class A pref.	$2.69	$3.35
Shares O/s.:		
Class A, n.p.v.	28,424	27,604
Class B, n.p.v.	71,550	71,550

Working Capital

	$	$
Current assets	834,182	267,568
Current liabilities	680,799	129,168
Working capital	153,383	138,400

Inter City Baking

Inter City Baking Co. and wholly owned subsidiary companies report net earnings of $316,623 in the year ended Jan. 31, 1941, compared with $307,799 the previous year.

Net profit was $84,963 after depreciation allowance of $115,000 and income and profits tax provision of $56,000. This compares with $115,827 in 1940, when depreciation was $100,000 and income tax $29,000. Earnings on the common stock were $4.02 and $5.48 respectively.

Funded debt was reduced by $42,000 during the year to $1.1 million.

Cons. Income and Surplus Account
Years Ended Jan. 31

	1941	1940
	$	$
Operating profit	337,842	327,457
Less: Exec. remun.	34,911	34,220
Directors' fees	800	800
Legal fees	711	411
Net oper. profit	301,420	292,026
Add: Invest. int.	2,996	2,643
Other interest	12,207	13,130
Net earnings	316,623	307,799
Less: Depreciation	115,000	100,000
Bond interest	60,660	62,972
Inc. & profits tax	56,000	29,000
Net profit	84,963	115,827
Less: Pref. divds.	63,435	63,435
Surplus for year	21,528	52,392
Add: Prev. surplus	415,254	362,862
Less: Prior adjusts.	2,182	......
Surplus forward	434,600	415,254

Working Capital

	$	$
Current assets	676,838	620,876
Current liabilities	234,275	228,679
Working capital	442,563	392,197

Balance Sheet Changes

	$	$
Cash	394,937	357,596
Investments	98,213	62,165
Accts. pay.	174,407	193,900
Funded debt	1,085,500	1,127,500

Colonial Steamships Ltd.

Colonial Steamships Ltd. reports net profits for 1940 equivalent to $1.44 a share on its 30,000 common shares outstanding. This compares with $6.91 a share in 1939. No dividends have been paid.

Balance sheet shows that 6% prior lien bonds have been redeemed with the exception of $1,000. The 6% general mortgage bonds have been reduced to $1,065,600 from $1,127,000 at the end of 1939. Cash on hand amounted to $503,153 at Dec. 31 last compared with $449,272.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Net earnings	342,962	402,067
Less: Bond interest	73,089	86,744
Depreciation	146,718	58,839
Income tax	80,000	49,095
Surplus for year	43,155	207,389
Add: Prev. surplus	145,573	*61,816
Less: Trans. to conting.	50,000	......
Surplus forward	138,728	145,573

*Deficit.

Working Capital

	1940	1939
	$	$
Current assets	642,476	555,666
Current liabilities	369,701	220,729
Working capital	272,775	334,937

Ford of Canada

Ford Motor Co. of Canada reports earnings in 1940, before taxes, from Canadian operations more than three times the comparable figure for 1939. No dividends were received from overseas subsidiaries last year, however, where these subsidiaries paid $2.2 millions the previous year. As a result of this and the fact that taxes are more than tripled, net profits for 1940 are equivalent to $1.55 a share compared with $1.81 a share for 1939.

Balance sheet reflects the much higher volume of business transacted in 1940. Inventories, for example, are approximately doubled at $12.4 millions. A departure from ordinary practice was dictated by pressure of output on government contracts and no shutdown for the customary inventory-taking was made at the close of 1940. The inventory shown, therefore, is estimated and based on cost by company officials.

Other substantial changes are reflected in the balance sheet, chiefly amount of current assets and liabilities as detailed below. Net working capital at $15.7 millions compares with $16.2 millions. General reserve has been increased by a charge to earned surplus of $900,000 and by the excess of $850,000 remaining in the reserve for depreciation of investments after application of $150,000 balance in the latter account. Unsettled conditions are given as the reason for increasing this general reserve.

Income and Surplus Account
Years Ended Dec. 31

	1040	1939
	$	$
Operation profit*	4,513,433	1,334,300
Add: Divs. from subs.	......	2,218,241
Int. on bonds	52,819	90,078
Profit from assets	†31,071	10,745
Net earnings	4,535,182	3,653,364
Less inc. & E.P. taxes:		
Canadian	1,935,965	532,884
Other	14,905	107,910
Net profit	2,584,312	3,012,571
Less dividends:		
Class A	1,588,960	1,588,960
Class B	70,000	70,000
Surplus for year	925,352	1,353,611
Add: Prev. surp.	23,887,717	22,534,106
Less: Trans. to gen. res.	900,000	......
Earned surplus fwd.	23,913,069	23,887,717

†Loss.

*From Canadian factory and branches, after all charges including:

Depreciation	1,179,507	1,035,755
Exec. remuner.	226,250	224,000
Solicitors' fees	17,988	17,006
Directors' fees	3,000	3,000
Earned per Share:	...	...
Class A & B	$1.55	$1.71
Paid	1.00	1.00
Shares o/s:		
Class A, n.p.v.	1,588,960	1,588,960
Class B, n.p.v.	70,000	70,000

Working Capital

	$	$
Current assets	28,195,555	21,508,746
Current liabilities	12,470,743	5,324,102
Working capital	15,724,812	16,184,644

Balance Sheet Changes

	$	$
Cash	2,600,312	4,172,630
Government bonds*	526,308	5,053,260
*Market value	394,183	4,892,693
Accounts receivable:		
Trade	5,723,767	1,897,049
Cust. drawback, etc.	1,495,228	184,423
From overseas subs.	5,477,280	4,351,196
	12,696,275	6,432,668
Inventories	12,366,939	5,819,606
Accounts payable	9,710,845	4,560,146
Can. taxes payable	2,759,898	763,956
General reserve	5,000,000	3,250,000
Fixed assets	37,420,188	35,120,634
Less: Deprec. reserve	22,919,727	21,857,572

Anglo-Norwegian

Anglo-Norwegian Holdings Ltd. received no dividends from any of its subsidiary and associated companies in 1940. Net loss of $13,962 was incurred for the year, against net income of $88,900 in 1939.

In the 1939-40 whaling season the factory ship "Svend Foyn," usually operated by the Star Whaling Co., was employed in another capacity for part of the period. Details of remuneration for services of the ship have not been settled. The report states that negotiations are in progress toward this end and a reasonable profit is expected.

The "Polar Chief" of the Falkland Whaling Co. was employed as a tanker for part of the period at rates which are not expected to result in a profit.

No dividends have been received from Tonsbergs Hvalfangeri A/S, which it is understood up to the Norwegian invasion had made a substantial profit.

Vessels employed by associated British companies are fully employed, and the question of remuneration is under consideration.

The company hopes to pay a preferred dividend in the current year.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Dividends	nil	104,024
Less: Gen. exp.	4,669	5,429
Directors' fees	8,562	8,750
Interest	156	370
Taxes	375	575
Net income	*13,962	88,900
Less: Pref. divds.	......	80,605
Surplus for year	*13,962	8,295
Add: Prev. surplus	442,499	434,204
Surplus forward	428,537	442,499

*Deficit or loss.

Working Capital

	1940	1939
	$	$
Current assets	125,722	131,934
Current liabilities	265,561	[illegible]
Excess of curr. liabs.	139,839	[illegible]

C. I. L. Maintains Active Pace

No Seasonal Let-down This Year—D.I.L. Work Up to Schedule

From Our Own Correspondent

MONTREAL.—Industrial demand continues to expand and the business reaction which characterized early months of recent years was absent during the first quarter of 1941, according to George W. Huggett, first vice-president, speaking at the annual meeting of Canadian Industries Ltd. "The results for the first quarter," he added, "are comparable with a year ago, sales being higher but profits, after taxations, remaining at much the same level."

Work on the major projects undertaken by Defense Industries Ltd. for the Government, Mr. Huggett reported, is proceeding satisfactorily, two new plants being in full production, two others nearing completion and others being well up to schedule.

Th financial reports of the company were approved and a board of directors was re-elected. All officers were reappointed.

French and Foreign Name is Changed

From Our Own Correspondent

MONTREAL.—Name of French & Foreign Investors Corp. was changed to Fafic Investment Co. at a special meeting of shareholders. Common stock was called for trading on the Montreal Curb Market April 12.

Listing covers 500,000 shares of $1 par value, of which 342,848 shares are issued and outstanding. Of the 157,152 shares in treasury 24,000 are under option, exercisable on or before Dec. 31, 1955.

The company is an investment concern and its active investment holdings and cash are situated in the United States.

Since end of the company's fiscal year, Dec. 31, capital distribution of $9 a share has occurred, reducing par value from $10 a share to $1. At the same time a distribution of $1 a share was made from capital surplus.

Parisian Laundry Co. Net Up in 1940

Parisian Laundry of Toronto reports net operating profit of $47,376 in 1940 and net profit of $12,358. This compares with a net operating profit of $42,206 in 1939 and a net profit of $9,707.

The company has reduced its outstanding bonds to $172,500 compared with $193,500 a year ago.

Shipman Boxboards Dividend in 2 Months

All assets of Shipman Boxboards Ltd., Hamilton, have been sold and it is expected that a dividend will be paid to all unsecured creditors, including debenture holders, within the next two months. Premier Trust Co. was appointed trustee in bankruptcy March 2, 1940. It has $100,000 of 5% debentures outstanding.

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Bond Markets

Higher Interest Rates For U.S. Loan Urged

Borrowing From General Public Seen Bringing Basic Change in Money Market — Groom War Loan Teams

On May 1, the U. S. Government offers its new National Defense bonds, first borrowing from the general public in the present war. Effect of this change in the scope and technique of financing war expenditures is causing a good deal of discussion in U. S. investment circles, with interest centring on the influence on interest rates.

One school of thought, represented by the Brookmire Investor, suggests that the public at large will demand higher rates than those accepted by the institutional buyer. Barron's weekly takes the opposite view that the supply of money in excess reserves, and other accumulated funds, is adequate to keep interest rates down for the remainder of the year, despite rising governmental borrowings.

As far as Canadian and British experience has shown, patriotism weighs larger in determining the wartime course of interest rates than supply-demand factors. Low interest rates originated in an economic environment featured by large accumulations of funds at a time when investment outlets were narrowing. Maintenance of low rates in a period of greater activity and rising costs would be impossible without patriotic sacrifice. In contrast to the idea that the general public would insist on higher rates, war saving certificate buyers in Canada accept a rate slightly below that offered in the last two war loans..

* * *

Fear of Inflation

The fear that rising wages will set up an inflationary spiral is pronounced in the United States. Higher labor costs would help boost commodity prices, might bring commodity speculation supported by bank credit, create a shortage of bank reserves and probably force interest rates upward. If the spiral didn't reach interest rates through the banking medium, investors would not be able to face the loss of purchasing power caused by rising prices unless they could get a high return on capital.

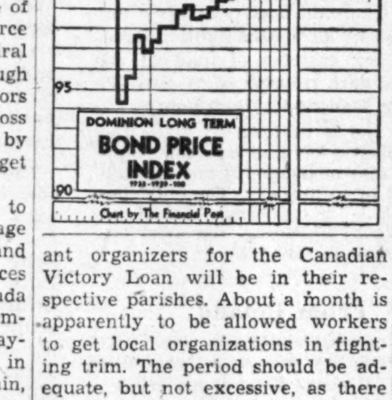
Simplest remedy, but difficult to enforce, would be pegging wage levels. Short of this, voluntary and forced pegging of commodity prices as practised in Britain and Canada would close the avenues to commodity speculation. Increased payroll savings plans, voluntary in Canada and enforced in Britain, would help to sterilize the increase in wages.

Although higher interest rates would be desirable from some points of view, experience in Britain and Canada shows that rising rates are not vital to war finance. Avoidance of inflation depends more on the amount of saving than the reward in interest rates.

* * *

Leaderless Market

By the time the U.S. defense bonds go on sale, most of the assistant organizers for the Canadian Victory Loan will be in their respective parishes. About a month is apparently to be allowed workers to get local organizations in fighting trim. The period should be adequate, but not excessive, as there will be a considerable amount of educational work as well as technical details to smooth out.



The course of bond markets with all but a skeleton staff of investment dealers absent from their offices is expected to be one of record inactivity. New offerings will be almost impossible to market unless borrower and lender can come into direct contact. Trading in established issues will be difficult since bond traders as well as salesmen and accountants have been posted to Victory Loan assignments. Buying support in the event of any selling pressure may thus be late in making itself felt, as would be profit-taking if a rise occurs. Although trading is likely to be very light, sharp price movements would not be surprising.

* * *

Bond Index

Long-term Dominion of Canada bond prices held unchanged for the week ending April 10, 1941, remaining at the previous week's level of 100.9. As compared with a year ago, the D.B.S. index showed a gain of 2.1 points.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Apr. 4-10	Preceding week Mar. 28-Apr. 3	Weekly average year ago
Price	100.9	100.9	98.8
Yield	95.9	95.9	100.4

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Orange Crush Ltd. Defers Dividend

Directors of Orange Crush Ltd. have decided to defer payment of the semi-annual dividend normally payable May 1 for the time being, according to E. P. Taylor, president.

It is explained that this action is taken because of the unduly heavy strain on the company's liquid position arising from an expansion to the main plant in Toronto. This will approximately double previous capacity and is made necessary by growing business. Additions are also being made to the fleet of motor vehicles and complete ownership has been acquired of Orange Crush (Eastern) in which the company previously held a minority interest.

Mr. Taylor expresses the hope that with continued favorable business the working capital position will be corrected and payment of the full preference dividend of 70 cents a share will be possible before the end of the current year.

The annual report, reviewed elsewhere in The Post, shows net profits for the year ended Oct. 31 last, equivalent to $1.37 a share on the preference compared with $1.34 for the preceding year.

Mount Royal Hotel Co. Business Holding

From Our Own Correspondent

MONTREAL. — Shareholders of Mount Royal Hotel Co. were told by W. H. Howard, president, at the annual meeting that business of the hotel continues good in the current fiscal year.

Sales of general mortgage bonds and common share units are estimated at $22,500, bringing total sales to date to $90,000. Sinking fund requirements under trust deed on the first mortgage issue amount to not less than $39,000. Of this amount, $15,000 has been paid. Negotiations are expected to be completed in the near future whereby the remaining $24,000 may be applied toward modernization, improvements, etc.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Randolph Hotel.	6½%	1947	May 1	105
Ames Holden Tire	*7%	1943	May 1	105
Viceroy Mfg. ...	4½%	1952	July 1	103
Cons. Press.	6½%	1949	June 1	103
Shawinigan W..	†3½%	1946	May 15	101
Fam. Players .	‡3½%	1942	June 1	101

*Drawn by lot $22,300. †$3,000,000. ‡$350,000.

Stock Issues:	Rate		Due	Price
J. S. Mitchell ..	7%	Pref.	June 5	†110

†Plus accrued dividend.

NAMED PRESIDENT

W. J. Sheridan of the industrial division of The Sherwin-Williams Co. of Canada Ltd. has been elected president of the Montreal Junior Board of Trade.

Inter. Paper Sets Record

Tonnage Produced in 1940 Sets All-time Record — Canadian Units Do Well

From Our Own Correspondent

MONTREAL.—Operating units of International Paper & Power Co. produced 2,275,001 tons of paper, paperboard and pulp in 1940. This compares with 1,768,920 tons in 1939, an increase of 28%.

The high level of general business activity and the increase in use of paper products, particularly bleached kraft paper and kraft container board, in new fields combined to make 1940 the record year in United States paper production. It also was a record production year for the International Paper group.

Breakdown of Output

A breakdown of the subsidiary company's production in 1940, with comparative figures for 1939, for both the United States and Canada, follows:

	1940	1939
	$	$
United States		
Kraft board, unblch.	673,019	509,287
Kraft wrapping	191,753	171,058
Kraft paper	109,420	80,667
Kraft specialties ...	64,945	47,496
Kraft pulp sold	108,742	41,674
Total kraft	1,147,879	850,182
Groundwood papers	187,076	171,567
Book & bond	117,393	121,167
Other pulp & paper	66,358	51,596
Total U. S.	1,518,706	1,194,512
Canada		
Newsprint	540,851	434,383
Sulphite pulp	215,444	140,025
Total Canada	756,295	574,408
Total all mills	2,275,001	1,768,920

During 1940 about 19% of tonnage sales were for export to countries outside of North America. Practically all such export sales were on the basis of U. S. or Canadian dollars.

International Paper & Power Co.'s mills, R. J. Cullen, president, reports, are in a position to produce an excess over all of the pulp requirements for paper manufacturing operations.

Operations in Canada

Operating returns of Canadian International Paper Co. are not segregated in the report of the parent company. However, figures are published to show the returns of International Paper & Power Co.'s operations outside the United States. As these operations are practically confined to Canada, returns indicate results for Canadian International Paper, which is the largest unit operating outside the United States.

Gross sales of International Paper & Power's "foreign subsidiaries" in 1940 amounted to $57.5 millions, as against $44.8 millions in 1939. Net profit, after a substantial increase in the depreciation reserve and provision for income taxes, amounted to $4.7 millions in 1940, compared with less than $1.7 million in 1939.

In respect to Canadian International Paper, that company retired the balance of its outstanding Riordon bonds amounting to $200,100. In addition C. I. P. 6% first mortgage bonds in the hands of the public were reduced from $20,113,000 to $18,692,500. The amount of these bonds held by associated companies increased from $137,000 to $1,057,000.

Noorduyn Ltd. Orders Mount

From Our Own Correspondent

MONTREAL.—Backlog of uncompleted orders on the books for Noorduyn Aviation Ltd. the end of 1940 was $5,635,000, notwithstanding the fact that deliveries on uncompleted orders and an account of contracts during the year amounted to $2,450,000, according to W. L. Bayer, president, in his annual report. At the end of 1939 the backlog of uncompleted orders totalled only $160,000.

The last week of 1939 employees numbered 124 and weekly payroll $3,670. Same week of 1940 employees numbered 1,465 and weekly payroll of $39,009.

Manufacturing floor space in use the beginning of last year was 32,600 sq. ft. Jan 1 this year was 171,750 sq. ft. Of this, buildings totalling 94,800 sq. ft. were provided by the Government, without additional capital invested by the company. On the same basis a considerable amount of machinery and equipment was made available by the Government during the year. Further large additions, in buildings and equipment, under similar arrangements, are in prospect for 1941.

Mr. Bayer told shareholders that it is "not permissible to furnish actual figures as to the numerical output of aircraft," but reported deliveries are being made at a steadily increasing rate.

Details of the financial statements will be found elsewhere in The Post.

Bond Tenders

5 p.m., Apr. 21, Parish of St. Colomb De Sillery, P.Q.—$201,300, 4½%, dated June 1, 1941, redeemable serially in 30 years. F. M. Hackett, sec.-treas.

12 noon, Apr. 17, Canada Treasury Bills —$40,000,000, dated Apr. 18, 1941, payable July 16, 1941.

Company Reports

Gatineau Power

Reflecting increased sales of hydro-electric energy, Gatineau Power Co. reports consolidated revenue in 1940 of $9,779,022, as against $9,421,572. Owing to the sharp advance in income tax and heavier premium required to meet obligations payable in United States funds, net profits on the capital stock amounted to 81¾ cents a share, as against $1.04 in 1939.

Balance sheet at the end of 1940 shows an excess of current liabilities over current assets amounting to $313,327, whereas a year ago there was a net working capital position of $129,939. During the year cash on hand improved over $300,000 to more than $2.4 millions. Funded debt was reduced from $80,349,722 to $78,641,666. Common shares outstanding increased from 1,654,260 to 1,662,470.

G. Gordon Gale, president, states the total output for the year, including small amounts of purchase power, totalled 3,088 million kw. hrs., compared with 3,019 million kw. hrs. in 1939. A new consolidated peak load of 792,814 h.p. was established in July, 1940, compared with 695,398 h.p. recorded in 1939.

Comparative figures from the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross earnings	9,779,022	9,421,572
Less: Expenses, etc. ..	1,628,050	1,522,052
Net earnings	8,150,972	7,899,520
Less: Bond interest ..	2,352,678	2,793,316
Deb. int., etc.	800,423	747,159
Loss on exchange ..	251,457	9,978
Depreciation	1,200,000	1,200,000
Amortization	190,006	242,396
Income taxes	1,195,175	423,336
Net profit	2,161,233	2,483,335
Less: Pref. dividends .	802,300	754,350
Common dividends .	1,329,445	1,399,094
Surplus for year	29,488	329,890
Earn. on Common	$0.82	$1.04

Working Capital

	$	$
Current assets	3,603,835	3,285,291
Current liabilities	3,917,162	3,155,353
Working capital	*313,327	129,938

*Excess of current liabilities.

Dominion Gas & Electric

Adjusted from Canadian to U. S. funds, net profit of Dominion Gas & Electric Co. for 1940 fell to $293,410 from $370,894 in 1939. Operating results of subsidiaries, including Canadian Western Natural Gas, Light, Heat & Power; Canadian Utilities & Northwestern Utilities, amounted to $4.6 millions in 1940 against $4.3 millions in 1939. Canadian income taxes jumped to $407,785 from $196,863, while exchange adjustments were $116,386 and $49,928 respectively.

Natural gas output in 1940 was 11.7 million cu. ft. compared with 10.5 million in 1939. Electrical output was 24.6 million kw.h. against 22.7 million in 1939. Total customers of the subsidiary systems increased from 54,180 to 55,739.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Operating Revenues:		
Gas	3,309,665	3,193,890
Electricity	1,304,051	1,239,359
	4,613,716	4,433,249
Less Expenses:		
Operations	1,911,271	1,839,155
Maintenance	258,961	304,354
Oper. taxes	386,762	373,064
Bad debts	13,777	21,148
Net oper. income	2,042,945	1,895,528
Less: Deprec. & amort.	†404,866	†423,435
Net oper. revenue ...	1,638,079	1,472,093
Add: Other income ..	39,242	20,657
	1,677,321	1,492,750
Prior chgs. of subsids.:		
Funded debt int. ...	237,506	245,457
Exchange premium.	15,283	11,387
Other interest	23,313	26,607
Dom. inc. taxes	407,785	196,863
Bond disct. amort. .	15,863	19,727
Pref. dividends	217,535	215,664
Minority int.	12,946	12,794
Net income (Can.) ...	747,090	764,250
Less: Disc. Can. funds	101,103	32,344
Parent co. exp. & taxes	78,235	80,472
Int. on coll. tr. bds.	256,522	256,523
Other interest	17,820	17,820
Exch. discount	......	6,197
Net profit	293,410	370,894
Less: Pref. dividends .	175,000	212,500
Com. dividends	39,107	78,214
Surplus for year	79,303	80,180
Add: Previous surplus	722,523	851,267
Prof. on sale of secs.	13,357	17,229
Adj. minority int. ..	1,458	......
Misc. credits	......	650
Less: Subsid. surplus liquid	9,287	14,939
Income tax adjust. .	26,234	2,837
Prior yr. credit adj.	63,716	......
Investigation exp. .	12,053	......
Loss on real estate .	3,757	......
Exchange adjust. ..	666	*50,796
Disc. on bds. red. ..	......	153,761
Misc. charges	......	4,470
Surplus forward	700,928	722,523

†Exclusive of $44,307 charged to operations in 1940; $48,139 in 1939.

Times Fixed Charges Earned:

	1940	1939
Before depreciation.	$3.79	$3.83
After depreciation .	2.21	2.32
Earnings per Share:		
Preferred: Earned .	$11.74	$14.84
Paid	7.00	7.00+1.50
Common: Earned ..	0.76	1.25
Paid	0.25	0.50
Shares Outstanding:		
$7 preferred, n.p.v..	25,000	25,000
Common, $1 par ...	156,428	156,428

Working Capital

	1940	1939
	$	$
Current assets*	1,824,917	1,702,337
Current liabilities ...	1,181,479	808,079
Working capital	643,438	894,258

*Including securities at cost, $5,243 above market in 1940, $23,582 above market in 1939.

Burns & Co.

Operating earnings of Burns & Co. for 1940 gained some $90,000 over 1939. An increase of about $60,000 in bank interest charges resulted in a net loss of $76,372, compared with loss of $139,541 in 1939.

Bond interest was provided for during the year, but for the second successive year sinking fund payment was omitted because of uncertain wartime conditions.

Capital expenditures of $237,000 during 1940 went to replace existing equipment and to provide for increased handling of hogs.

Palm Dairies Ltd., a subsidiary, increased net current assets to $487,560 from $398,348 on Dec. 31, 1934. Net earnings are stated to compare favorably with 1939, as do those of Consolidated Fruit Co., another subsidiary, whose net current assets rose to $394,845 from $295,526 in the same period. Earnings of the subsidiaries are not consolidated with the parent company's statement, show only to the extent of dividends received.

Since the close of the fiscal year business of Dumarts Ltd., Kitchener, Ont., packing firm, was acquired by Burns & Co. Terms of the acquisition were not stated in the annual report. R. D. Morrison, president of Dumarts, will continue in that capacity, also will serve as vice-president and managing director of Burns & Co.

Income and Surplus Account
Periods Ended

	Dec. 26 1940	Dec. 28 1939
	$	$
Operating profit	686,843	595,870
Less: Exec. salaries ..	49,500	48,500
Directors' fees	10,491	11,694
Legal fees	575	1,330
Chgd. to subsids. ...	18,000	12,000
Net earnings	644,277	546,346
Add inc. from subsids.:		
Rent	10,431	11,640
Dividends	4,958	4,418
Add: Property rentals	22,278	23,881
Other income	6,449	6,647
Total net income	688,393	592,932
Less: Depreciation ..	327,729	330,571
Bond interest	328,860	333,415
Bank interest	104,726	44,437
Mortgage int.	3,450	4,050
Income tax	......	20,000
Net loss	76,372	139,541
Less: Prev. surplus ..	68,600	208,141
Deficit forward	7,772	*68,600

*Surplus.

Times Bond Interest Earned:†

	1940	1939
Before depreciation.	$1.76	$1.63
After depreciation .	0.77	0.64

†After mortgage and bank interest.

Working Capital

	1940	1939
	$	$
Current assets	7,057,083	7,116,504
Current liabilities	4,180,425	4,307,308
	2,876,658	2,809,196

Other Balance Sheet Changes

	1940	1939
	$	$
Cash	262,294	198,354
Accounts rec.	1,797,433	2,084,209
Due from Bacon Board	1,523,899	......
Inventories	3,418,363	4,794,894
Due to bank	3,035,594	3,214,749
Accounts pay.	860,299	781,619

Inter. Paper & Power

Production, sales and consolidated net profit of International Paper & Power Co. in 1940 were the largest in company's history. Sales amounted to $163.9 millions, as against $122.8 millions the year before. This reflects an increase in tonnage sales from 1,768,920 to 2,275,001. Net profits last year amounted to just short of $15.7 millions, compared with less than $5 millions in 1939. Net profits on the preferred stock totalled $16.95 a share in 1940, compared with $5.29 the year before. Profits on common stock last year were $6.07, compared with 14 cents a share in 1939.

Balance sheet reflects the greater earning power. Net working capital advanced nearly $5 millions to $40.2 millions.

Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Sales, etc.	163,980,147	122,883,150
Cost & expenses ..	127,071,439	107,809,455
Net revenue	36,908,708	15,073,695
Less: Debt interest .	3,006,168	3,314,847
Other interest ...	8,816	7,070
Debt discount	330,307	384,997
Depreciation	9,370,749	4,720,694
Depletion	950,147	868,050
Income taxes	7,487,018	815,261
Sub. dividends ...	10,237	11,000
Dvds. accrued ...	48,689	58,185
Net profit	15,696,577	4,893,590
Less: Pfd. divds. ..	5,787,093	......
Surplus	9,909,484	4,893,590
Previous surplus ..	10,437,016	7,635,061
Add: Profit on bonds	......	176,375
Misc. adjust.	25,208	......
Less: Adjustments .	......	2,288,010
Loss on bonds ...	5,431	......
Surplus forward ..	20,368,276	10,437,016

Working Capital

	1940	1939
Current assets	63,128,715	49,355,128
Current liabilities ..	22,913,032	13,749,801
Working capital	40,213,683	35,606,327

Balance Sheet Changes

	1940	1939
Property	200,520,532	191,634,714
Investments	6,124,068	7,288,295
Cash	18,031,823	7,872,041
Inventories	30,757,916	25,600,137
Funded debt	52,072,529	58,815,478
Debt maturities	5,498,751	3,693,132
Underlying stocks ..	1,522,237	2,025,609

Orange Crush

Orange Crush Ltd. reports net profits for the year ended Oct. 31 last equivalent to $1.37 a share on preference shares compared with $1.34 a share for the previous year. These shares carry cumulative annual dividend of 70 cents a share, which has been paid for the past four years since it became cumulative in 1936.

Balance sheet shows working capital of $93,004 at Oct. 31, 1939, turned to an excess of current liabilities of $4,927 for the latest report. Chief item accounting for the lower current assets is reduction in marketable investments from $67,327 to $23,198.

Income and Surplus Account
Years Ended Oct. 31

	1940	1939
	$	$
Oper. profit	77,449	62,624
Add: Int., disct., etc. .	2,158	707
Net earnings	79,607	63,331
Less: Depreciation ...	14,217	12,366
Interest & exch. ...	6,688	2,148
Bad debt prov.	1,184	177
Income & E. P. tax .	16,522	8,500
Net profit	41,016	40,140
Less: Pref. divds.	21,000	21,000
Surplus for year	20,016	19,140
Add: Prev. surplus ..	84,319	65,179
Profit on invest.	23,466	......
Less: Addit. inc. taxes	1,235	......
Res. for invest. in subsid.	32,000	......
Surplus forward	94,566	84,319
Earned per Share:		
Preference	$1.37	$1.34
Paid	0.70	0.70
Common	0.41	0.42
No dividends paid.		
Shares O/s.:		
Preference, n.p.v. ..	30,000	30,000
Common, n.p.v.	49,328	45,500

Working Capital

	$	$
Current assets	126,597	147,067
Current liabilities	131,524	54,063
Working capital	*4,927	93,004

*Excess of current liabilities.

Inter. Bronze Powders

Net profit of $372,204 is reported by International Bronze Powders Ltd. for 1940, compared with $393,989 in 1939. Deduction for income and "excess" profits tax amounted to $327,745 in 1940, against $131,137 in the preceding year. Net profits were equal to $1.81 on the common, taking into consideration participation feature of the preferred stock. This compares with $1.73 in 1939.

During 1940, $125,000 paid off the company's loan, reducing it to $375,000.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross profit	1,288,132	1,104,412
Less: Selling & admin. exp.	639,012	601,237
Add: Non-oper. inc. ..	69,451	43,039
Less: Interest	18,622	21,088
Inc. & profits tax ..	327,745	131,137
Net profit	372,204	393,989
Less: Min. int.	10,069	48,040
Pref. divds.	150,000	150,000
Com. divds.	150,000	150,000
Surplus for year	62,135	45,949
Add: Prev. surplus ..	440,248	422,460
Less: Net adjusts. ..	29,695	11,161
Exchange	15,657	......
Subsid. lia. divid. ..	......	17,000
General reserve	130,000	......
Surplus forward	327,031	440,248
Charges included above:		
	$	$
Depreciation	63,482	53,005
Exec. salaries	73,000	66,450
Legal fees	16,169	9,300
Directors' fees	8,872	11,620
Patent amort	31,074	34,012

Working Capital

	$	$
Current assets	2,037,560	1,990,308
Current liabilities	776,950	686,021
Working capital	1,260,610	1,304,287

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Calgary Power

Consolidated earnings of Calgary Power Co. totalled $2.4 millions in 1940, an increase of $164,462 over 1939. After depreciation of $400,000 and income and "excess" profits tax of $213,022, net profit amounted to $368,581. This compares with $508,653 in 1939 when depreciation provision was $300,000 and income tax reserve $129,437. Net profit was equal to 42 cents on the common stock, against $4.32 in 1939.

Capital expenditures for additions and improvements to property totalled $374,701. After property retired or sold a net increase of $279,719 is shown in capita assets.

The company has entered an agreement with the Dominion Government for a power and storage project at Lake Minnewanka, near Banff, Alta., G. A. Gaherty, president, reports. Construction is under way. Cost including additions to transmission facilities and other improvements will be approximately $3 millions. Authority of the Dominion Parliament is required and the company has been assured enabling legislation will be introduced into the current session.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1940	1939
	$	$
Gross earnings	2,338,075	2,173,613
Less: Oper. exps.* ...	760,621	705,108
Net oper. earns.	1,577,454	1,468,505
Add: Invest. int.	53,942	90,414
Other interest	22,557	35,141
Total net earns.	1,653,953	1,594,060
Less: Depreciation ...	400,000	300,000
Debt charges	630,897	614,517
Inc. & profits tax ..	213,022	129,437
Amort. bd. disct. ..	41,453	41,453
Net profit	368,581	508,653
Less: Pref. divds.	354,000	357,500
Surplus for year	14,581	151,153
Add: Prev. surplus ..	277,115	211,723
Adjusts. (net)	......	19,623
Less: Pref. retire.	......	98,221
Sh. red. exp.	......	7,163
Surplus	291,696	277,115

*Including legal fees of $9,432 in 1940 and $8,022 in 1939.

Working Capital

	1940	1939
	$	$
Current assets	1,777,096	1,164,522
Current liabilities	698,521	582,711
Working capital	1,078,575	581,811

Balance Sheet Changes

	$	$
Cash	873,524	458,990
Dom. bonds	188,125	......
Subsid. co. bonds	1,239,882	1,625,238
Funded debt	11,550,500	11,704,000

Zeller's Ltd.

Zeller's Ltd., variety chain store operators, reports net sales for the year ended Jan. 31 of $7,806,103, compared with $6,180,192 the year before. Net profits amounted to $290,398, after providing for an increase in taxes from $60,150 to $210,000, and an additional $26,000 for depreciation reserve. After preferred dividends, profits were equal to $1.96 a share on the common stock, as against $1.61 the year before.

Consolidated balance sheet as at Jan. 31 shows a stronger position. Net working capital of $880,778 compared with $646,381 at the close of the previous year. Cash improved from $265,713 to $619,898. Call loan of $105,000 was liquidated during the year and replaced with an investment of $148,143 in Dominion of Canada bonds. Inventories were moderately high, as also was the investment in property. Outstanding debenture stock was reduced from $122,000 to $92,000.

The number of stores in operation at the end of the year remained unchanged at 27.

Income and Surplus Account
Years Ended Jan. 31

	1941	1940
	$	$
Sales	7,806,103	6,180,192
Less: Cost of goods ..	7,076,947	4,649,192
Exec. salaries	43,500	46,500
Legal fees	1,635	8,980
Directors' fees	748	400
Depreciation	156,801	130,153
Mort. interest	18,446	13,118
Debent. interest ...	7,628	8,986
Store expenses	......	9,424
Income taxes	210,000	60,150
Net profit	290,398	253,289
Less: Pfd. divds.	45,000	45,000
Add: Pfd. stock res. .	22,117	*6,922
Surplus	267,515	201,367
Previous surplus	524,220	451,961
Less: Add. inc. tax ..	6,858	12,287
Invest. loss	......	116,821
General reserve ...	7,850	......
Surplus forward	777,027	524,220

*Deficit.

Working Capital

	$	$
Current assets	1,423,062	961,486
Current liabilities	542,284	315,105
Working capital	880,778	646,381

Asbestos Corp. Sales Affected

From Our Own Correspondent

MONTREAL.—Gross sales of Asbestos Corporation Ltd., so far this year, are comparable with the like period of 1937 and 1938, but they are lower than in the corresponding month of 1940, R. W. Steele, president, reported at the annual meeting of shareholders. He added, however, that this does not matter a great deal as the first three months are not normally good operating months.

Outlook for 1941 is "rather doubtful," Mr. Steele says. He explained the company had lost the entire European market. In addition, it is not getting any tonnage shipped to England because shipping space was not available. Asbestos is on the priority list, but many other articles are ahead of it.

Report for 1940 was approved by the shareholders and retiring directors re-elected.

TWO TON CAB-OVER-ENGINE
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The Editorial Page . .

Travel is a Sales Job

Scores of newspapers in Canada have supported he suggestion of The Financial Post that the Canadian Travel Bureau be attached to the Department of Trade and Commerce. (It is now in the Department of Transport.) Every expert in the tourist business who has discussed this suggestion, in private conversation or by letter, with The Financial Post has enthusiastically approved the idea. We have yet to hear or read a single objection voiced by anyone.

The reasons why this simple but very important change has not been made are, of course, wrapped up in the obscurities of the internal politics of government. It is easier to get a waterway built, a rade treaty signed or a war declared than to shift a bureau or department at Ottawa. Nevertheless he change will probably come because it is so obviously desirable.

It isn't a question of the relative ability of minisers or deputy ministers. Rather it is a question of recognizing the promotion of tourist travel as a elling job rather than a technical or engineering ob.

Tourist travel is one of Canada's major export ndustries. Its promotion should be vested with the department that deals with Canada's export trade, namely, the Department of Trade and Commerce. That department is equipped to boost tourist travel. For instance, it has three well established trade ommissioners' offices in New York, Chicago and Los Angeles through which contacts could be made with thousands of key individuals in the travel and publicity business in the United States.

Last year Canada's travel revenues were badly olted, chiefly because of misunderstanding. The purposes of much of our war legislation were not fully appreciated in the United States. By the ime Americans got over their fears the travel seaon was over. Had adequate use been made of our ommercial offices in the United States, the true acts could have quickly been circulated and explained to editors and publicists.

American dollars derived from tourist revenue re so vital a factor in our war effort that we should eek to conduct the national effort in travel promoion with the utmost efficiency and understanding. We should make use of every existing agency of overnment that can lend support to the effort. The effort should be handled as a businesslike, ales promotion job.' The Department of Trade and Commerce from long experience, and because its taff is trained in such matters, can do that job better than the more technical Department of Transort, staffed as it is with engineers and technicians.

Where Does This Money Go?

The new budget will bring heavy increases in taxes. The average man will brace himself and ake them like a man. If the government needs more money to fight the war, let the government ave it; that is the attitude of John Q. Taxpayer.

Ottawa, unhappily, is not entirely playing the ame with Mr. Taxpayer. It is taking advantage of his patriotic acceptance of heavier war taxes to ack on extra spending that has nothing to do with he war.

Compare the estimates for the new year with he actual expenditures of 1939-40. There are some lucky savings in certain accounts. The C.N.R., reief, farm assistance and provision for wheat losses re going to take $120 millions less.

The non-war budget of the government ought hen to be $120 millions less. But it is not. It is nly $90 millions less. Some $30 millions has been lost en route.

It is easy to account for $22 millions of it in arger debt charges, higher post office expenses nd higher maritime freight subsidies, which the overnment says are all due to the war.

That still leaves an increase of $8 millions in hose Dominion expenditures that have nothing whatsoever to do with the war.

And, moreover, not a cent is included for the ost of the new wheat policy. True the census and unemployment insurance have been added but gainst these are scores of government activities hat have been reduced or could be reduced in warime.

The increase can not be explained on the ground hat every government department has been given war jobs to do. No; the government has carefully alculated the cost of these war jobs, taken them ut of the routine budgets of these departments and harged them directly to war account. In fact the udget-makers have charged a lot of things to war that do not seem to have any place there at all, like $600,000 for marketing canned lobsters and a large sum to finish the Toronto post office.

Let's not fool ourselves. Our new war taxes are mainly for war purposes. But the folks at the nation's capital who spend the war taxes are taking a small seigniorage off each war dollar to cover the cost of building up expenditures that have nothing at all to do with war.

We hope it will not be considered sabotage to call attention to this unsporting behavior of the budget-makers. In fact we wonder if such increases in expenditures in war time do not come pretty close to sabotage in themselves.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

45 Years a Banker

Herbert D. Burns, who has just been appointed general manager of the Bank of Nova Scotia, is only the eighth person to hold that office in the 109 years history of the institution.

He is himself a Bank of Nova Scotia product. He has spent his whole business career with the bank. In 45 years he has soaked up the traditions of the institution he is now to direct. He has been assistant general manager for 18 years.

The Bank of Nova Scotia has a reputation for being a kindly institution. A man who has been a customer of the Bank of Nova Scotia from the time he began business and who has known adversity as well as prosperity expressed the feelings of many people when he described the bank as an institution with a heart.

Mr. Burns for some time has been carrying on the duties of his new office due to the absence of Harry F. Patterson through illness brought on by devotion to duty. As Mr. Patterson has returned to his office as executive vice-president the bank will still have the advantage of his counsel while his duties will be less onerous. Edwin Crockett, who now becomes the senior assistant general manager, also began his career with the Bank of Nova Scotia.

All three are products of the Maritime provinces.

The T.C.A. in the Maritimes

Canadian Airways Ltd. has been forced out of the Maritime Provinces after 13 years of service in the area. The circumstances leading up to its withdrawal merit consideration. Last year the company secured two contracts from the Post Office Department for the carriage of mails from Moncton to Halifax, Saint John, Summerside and Charlottetown and from Charlottetown to Magdalen Islands during the winter months.

On the strength of these contracts Canadian Airways invested $200,000 in aircraft, radio and other facilities. The contracts contained a 30-day cancellation clause. On March 15 last the Postmaster General informed the company that, from April 15, Trans-Canada Airlines would take over operations from Moncton to Halifax. This part of the contract represented 35% of the company's revenue. Without it, Canadian Airways could not carry on Maritime operations which, incidentally, resulted in a loss of $17,636 for 1940. Attempts to arrive at a compromise were unsuccessful.

The service provided by Canadian Airways was never questioned. On the other hand Halifax has protested long and loudly because the T. C. A. terminated at Moncton. The city's "prestige" was involved, apparently. Seemingly it was politically expedient to meet this demand, war or no war. The air-mail contract was transferred to T. C. A. The economics of the move do not seem to have influenced the Postmaster General's decision.

It is hard to see how the capital expenditure involved in replacing Canadian Airways service can contribute to the war effort. And it does not seem to be good business for Canada to destroy its pioneer airlines one by one to put all our commercial flying eggs in one government basket, at all times subject to political influences.

* * *

Editorials in Brief

Colonel George Drew, leader of the Opposition in Ontario, points out that every man, woman and child in Ontario contributes an average of $30 each to the provincial treasury, or a total for an average family of four of $120 annually.

The total indebtedness of the province now stands at $871 millions, which amounts, in Colonel Drew's words, to "a hidden mortgage of approximately $900 on every home in this province."

* * *

Parliament showed little regard for the practical western farmer when it adjourned last week without clarifying the new wheat policy. The $35 million appropriation for subsidizing diversion of wheat land to summerfallow, coarse grains or grass was not voted. In the meantime seeding has started on the prairies and may be well advanced, perhaps over, by the time Parliament reassembles the end of this month. It may be difficult if not impossible then to make the plans and secure coarse grain and grass seed supplies necessary for any extensive diversion from wheat.

* * *

We have been receiving each month copies of "Contemporary Japan" with an urgent invitation from the publishers, the Foreign Affairs Association of Japan, to subscribe.

We suspect that the primary purpose of this circulation campaign, with its free samples of the paper, is to plant Japanese propaganda in this country.

One basic theme runs through all the articles: that Japan regards East Asia as its private preserve; that other countries should recognize and understand the national aspirations of Japan; that it will be good for the world if Japan is given a free hand in Asia.

None of the articles recognizes the existence of military operations by Japan against China. All of them seek to maintain the illusion that Japan is merely engaged in a peaceful economic job of development of her "East Asia co-prosperity sphere."

* * *

To judge from newspaper dispatches and other sources of news some extraordinary financial proposals are being offered to the Government at Ottawa.

One suggestion is that there be a moratorium on insurance premiums. As a policyholder you would continue to pay your premiums, but the money would go directly to the Government in taxation. Another suggestion is that all interest accruing on mortgages be paid directly into the treasury while borrowers would be protected against foreclosure.

There is a third suggestion that all capital depreciation charged up by companies be turned over to the treasury for the duration.

Absurd suggestions of this character could be completely ignored if it were not for the fact that some of them seem to get whispered around Ottawa by economists and pseudo-economists on the outer fringe of the Government's wartime brain trust.

The Minister of Finance is a man who is more inclined to take professional or academic advice than to consult with business executives. But there is no evidence that his confidence in economists extends to the type of "economist" who thinks up harebrained ideas like these.

* * *

"Trend" is a weekly "Canadian news letter" published in Montreal by one Claud Morris. Its impressive letterhead shows it as having offices in Montreal, Ottawa and Toronto, with staff correspondents in London, Lisbon, Geneva, New York and Washington.

Trend claims to "anticipate and to inform"; to "see the developments behind the news." It gets its news "by cable and air mail." "It knows what questions to ask before many are aware that such questions exist." Its main plank is "news awareness."

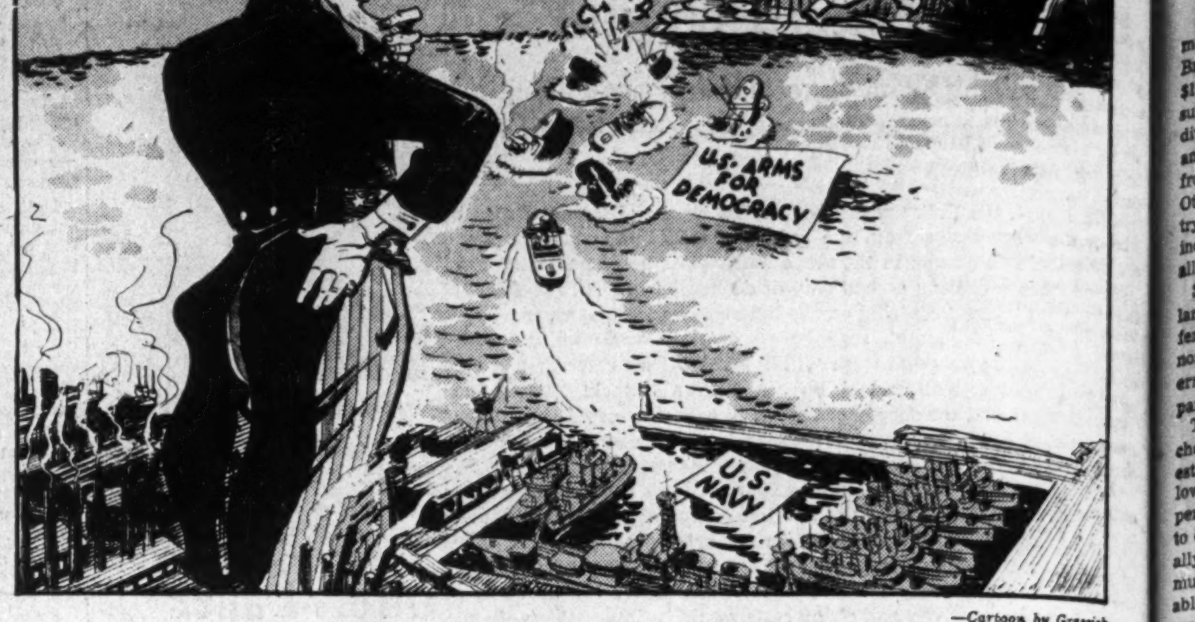
So much is claimed for it.

We have a copy of the April 3 issue before us. It says: "It was unreported in most Dominion papers but last week the Ottawa Citizen went on trial to answer a charge under the Defense of Canada Regulations. Judgment is expected within a few days." April 3 was the day that practically every newspaper in Canada carried a report of the final judgment in that trial.

The same issue reports that Mr. Hepburn may go to Britain to help his "friend and mining magnate, E. W. Bickle." E. W. Bickle is a Toronto stockbroker who is neither an intimate friend of Mr. Hepburn nor a mining magnate. No doubt Trend is speaking of J. P. Bickell, now in London.

A "news flash" in the same issue of Trend forecast that the budget would be down before the Easter recess of Parliament. April 3 was the date Mr. Ilsley announced that the budget would not be down until after the Easter recess.

Anyone who wants to subscribe to this paragon of accuracy can do so for $15 a year.



—Cartoon by Grassick.

"It will indeed be disastrous if the great masses of . . . munitions . . . made with . . . American hands and loaned to us . . . were to sink into the depths of the ocean and never reach the hard-pressed fighting line." — WINSTON CHURCHILL.

Post-Scripts . . . .

Food Adviser

J. S. McLEAN

An important item in Canada's wartime ledger is the list of top-flight citizens who have been "loaned" to the British Government for the duration. Newest addition to this list is J. S. McLean, president of Canada Packers, Ltd. When he went to Washington this week as chief trade adviser to the British Food Mission in the U.S., he undertook a type of responsibility already accepted by men like Rt. Hon. Arthur B. Purvis, Morris W. Wilson and many others.

When Mr. McLean left Toronto he was in doubt as to just what his job would be, how long it would last and how much time it would require. In addition to the advice which the Mission will get from U.S. experts it will be of great advantage to have the services of someone who knows the Canadian picture as thoroughly as does J. S. McLean.

Broadly speaking it is hoped that the type of foodstuffs which Britain will seek to obtain from the U.S. will be along lines which will supplement rather than interfere with Canadian supply. Such things as lard, highly concentrated vitamin foods such as citrus fruit juices, etc., are at the top of the U. S. list.

Head of the British Food Mission is Hon. Robert Henry Brand a distinguished Englishman who served in the last war as member of the Imperial Munitions Board in Canada under the chairmanship of Sir Joseph Flavelle. Mr. Brand was subsequently deputy-chairman of the British Mission in Washington for nine months during 1917-18.

Mr. Brand is now managing director of Lazard Brothers & Co., a director of Lloyds Bank and of the Times Publishing Co. He has had a long record of public service which started in South Africa in 1902 under Lord Milner and included membership on the expert committee appointed in 1922 to advise the German Government on the stabilization of the mark.

There is no expectation that Mr. McLean's appointment will conflict with or alter present arrangements for British foodstuff purchasing in Canada. These will be continued through present channels. Mr. McLean will be employed directly by the British Government in the role of expert adviser. His knowledge of Canadian conditions will however be of advantage both to Britain and to this country.

Churchill's "Uniform"

Speculation to the contrary, Prime Minister Churchill does not wear a uniform when reviewing the fighting forces. His peculiar costume of nautical cap, reefer and dark trousers is his own. Explains the Manchester Guardian:

> "It is not a uniform at all. The greatcoat is a civilian one, and similar caps may be bought by anyone with a guinea or so to spare. The only special thing is the cap badge, that of the Royal Yacht Squadron, the most exclusive club in the world."

* * *

From Poland

GEN. SIKORSKI

A tall, soldier-statesman who plays a vital secondary role in the war, called on Prime Minister King at his office in the east block at Ottawa the other day. He was General Wladyslaw Sikorski, prime minister and commander-in-chief of Poland. His visit probably had much deeper significance than the news stories and news photos indicated.

Sikorski is 60 years of age. He is a professional soldier, yet a liberal and democrat in a country that slipped into dictatorship before the word was in common use in Europe. He fought in the Polish Legion of Pilsudski in the World War and won the Polish Cross in the defense of Warsaw in 1920 when the Bolsheviks were turned back from the gates of the city. He became chief of staff of the Polish army and in the coup d'etat of 1926 became minister of war under Pilsudski. But he resigned in protest against the suspension of democratic methods and went into retirement.

Like General Charles de Gaulle, leader of the Free French Forces, Sikorski wrote on military science in a vain effort to induce his countrymen to keep pace with the modern development of warfare. He foresaw the effects of mechanization and he recognized what Poland (and other countries) would be up against. When war actually started, he offered his services to the Polish Government but was given no assignment. He escaped and was chosen by Polish exiles in France to head a temporary government. He is prime minister and Ignace Paderewski, the famed pianist, is president of Poland. Sikorski revived the form of the ancient parliament of Poland by creating in London a National Council that operates as a parliament.

* * *

Sikorski and Edward Benes, president of Czecho-Slovakia, have arranged an alliance between their countries. Sikorski announced at Ottawa that this alliance would be developed in a full scale federation with the door open to other states to join. In this alliance the shape of the postwar world, so diplomatists think, is beginning to appear. It is all the more significant because Poland and Czecho-Slovakia were unfriendly neighbors up to 1939.

When Germany partitioned Czecho-Slovakia six months before the war, started, Poland grabbed a province for itself. This action, based on an ancient grudge, will be forgotten in the new federation. To further this cause, Sikorski came to Canada and he will visit the United States. He had an appointment with President Roosevelt.

In the last war, the framework of Czecho-Slovakia was created among the Czech patriots of Pittsburgh. The new framework of a postwar system in eastern Europe, which its advocates believe must work better than the ill-fated collective system envisaged at Versailles, is being studied in order to win the peace as soon as the war is won.

* * *

To Aid War Research

Sir (William) Lawrence Bragg, who has recently arrived in Ottawa to act as a link between British and Canadian war research scientists, provides a striking example of a man, who has attained great distinction in the same field as a famous father. The father, Sir William Henry Bragg, now winding up a notable career as Director of the Royal Institution of Great Britain, is a chemist and physicist of the foremost rank.

Sir William began his working career as a Professor at Adelaide University in South Australia. It was in that far-off city that his son, who has always been called Lawrence for distinction's sake, was born on March 31, 1890. He was sent for his education to St. Peter's College, Adelaide, rated the best school in Australia, and then to Adelaide University.

After graduation there, he was sent home to finish his academic training at his father's old college, Trinity, at Cambridge. There he had such a brilliant career that in 1914 at the age of 22, he was made a Fellow of the College and appointed a lecturer in Natural Sciences.

The young Bragg found time to cooperate with his father in research work on X-Rays and crystal structures and they were jointly awarded the Nobel Prize for Physics. Meanwhile young Bragg's talents had been enlisted by the British Army for the solution of certain artillery problems. From 1915 to 1919 he was technical adviser to G.H.Q. in France on sound ranging and won the Military Cross.

When the war ended, he found a post waiting for him as Langworthy Professor of Physics in Manchester University. Here he won the Hughes Medal of the Royal Society in 1931.

In 1937, Sir Lawrence was selected for the important position of Director of the National Physical Laboratory of Britain. In this he has been working on war problems for the last two years. He brings with him to Ottawa both an immense fund of scientific erudition and a practical knowledge of war problems and should be a very valuable reinforcement to our National Research Council to which he will be attached.

* * *

Canada and the B. of M.

Turning over some old papers the other day a Post subscriber came across a brief news item from the Dundas (Ontario) Star.

The clipping is undated but it throws interesting light on Canada-U.S. relations of an earlier day.

The clipping reads:

> "A London gentleman tendered a Bank of Montreal note to a Chicago business man the other day who refused to accept it. The Londoner said: 'Sir, this note is issued by the Bank of Montreal, in Canada; this bank has more capital active and reserved than any other bank in America; it is the third largest bank in the world, next only to the Bank of France, which is next to the Bank of England.'
>
> "The Chicagoan was still incredulous and talked sneeringly about 'a poor country like Canada'. But he apologized next day, saying that he had made inquiries and found that the Canadian's statements were correct."

* * *

More About Mr. Fraser

Some weeks ago this column told something of the achievements and background of L. W. Fraser, M.P.P. for Cumberland, N.S., and new leader of the Conservative Party in that province.

After reading the article the New Glasgow Chronicle feels that the story did not "tell all."

Says the Chronicle:

> "The Post is naturally eulogistic and complimentary to the young leader and tells of his life story in considerable detail. It refers to his college career, his being Secretary to Hon. E. N. Rhodes; his legal apprenticeship to Justice Doull; his experience as a reporter on the Halifax Herald, and his participation in inter-university debates.
>
> "But it strangely omits to state that he ran two elections for a seat in the Nova Scotia legislature, first in Guysboro and second in Hants, and in both instances he failed to win the approval of a majority of the electorate. His present seat is a result of a political agreement not to contest several vacant seats, the outcome of which did not affect the standing of the parties in the House of Assembly."

Other People's Views . . . . . .

The Canadian Editorial of the Week

Cannot Dodge Rail Problem

Calgary Albertan

Under pressure of war business Canaian railways are faring better. Last ear they had revenues of $424,820,629 as ompared with $363,325,824 in 1939.

The Canadian National Railways have njoyed a considerable share in this imrovement. Back in 1932 and 1933, when the depression was at its worst, the C. N. R. went into the "red" to the tune f more than $50,000,000 a year. In 1939 this loss had been reduced to $38,000,000. he betterment continued in 1940 when the deficit was $15,385,000 after paying 48,700,000 interest on its debt; $1,000,000 interest on government loans and other ayments reaching a total of $53,000,000 in fixed charges. With transportation usiness booming there is hope of the rstwhile "white elephant" breaking ven in 1941.

While the railway picture looks better ow, there is bound to be a falling off of revenues in the period of postwar adjustment. Canada will not be able to and another jolt of $50,000,000 a year eficits, and in looking ahead to this eriod the problem of the Canadian Naonal Railways must occupy a prominent spot.

The C. N. R. question cannot be odged for **ever.**

As Others See Us

Seaway and Defense

Port Arthur News Chronicle

When the first primitive one and one half foot canal around the Lachine rapids was constructed by Dollard de Casson, nearly 250 years ago, the object was the defense of Montreal against the Iroquois. As the Toronto Financial Post points out mutual defense is again the impelling motive as Canada and the United States agree on a great seaway and power development.

* * *

A Great National Asset

Creemore Star

The Financial Post is to be commended for a splendid article by Donald G. McLean on March 15, dealing with Life Insurance. As pointed out by Mr. McLean, life insurance is today the major bastion of defense for all Canadians. Life insurance dollars come in from the masses. They are symbolic of Democracy. Four million policyholders are, through this system of saving, not only providing for their own security but the sum of almost two hundred million dollars paid in premiums annually provides money to be loaned to governments, industries, and for the development of the national resources of our country.

* * *

Ban on Travel

Kenora Miner-News

The international money market is undoubtedly a complex business, and for that reason it is probable that the less the ordinary citizen knows of its **ramifications, the less he is likely to** be subject to violent headaches. For purposes of simplification, it has been represented to us that the most favorable position our country can achieve in international finance at the present moment is for us to do all in our power to secure American funds, so that we can have money to pay for our wartime purchases in the United States. To that end, we have been devoting unusual attention to the problem of securing American tourist dollars, and also by restricting the purchase of non-essentials in the United States, have been conserving as much as possible of the American money which comes within our borders.

The Financial Post is among the first of our Canadian periodicals to note the ill effect which may result from this policy, particularly that portion of it which limits the amount of money our people may carry into the United States. The Post suggests that a relaxation of this stringent regulation might be in order. Apparently the same opinion is held by those who have had opportunity to see the effect the Canadian policy is having in the United States.

* * *

The Mail-box

Would Ease Travel Ban

Editor, The Financial Post:

The severe banning of Canadian travel in the United States, by the Foreign Exchange Control Board, is all right in theory, but simply will not work to our credit in practice. Our town is close to the border and the writer has had some experience with the present regulations.

In spite of the fact that every **inducement is offered American tourists to** visit Canada and their money is worth 10% more on this side, there has been a very great decrease in the numbers entering this country. Take our small town; for every U. S. visitor we had in 1940 we had 20 to 25 in 1939.

The writer is convinced it would well pay Canada to lift the ban on travel in the States, not entirely but to a reasonable extent.

It is mainly due to the fact that Americans saw practically no Canadians last summer that we see so few of them now. They are suspicious of our regulations and will never lose these suspicions until there is a freer intercourse between the citizens of each country.

Advertising over the radio and in reputable U. S. papers and magazines is good business but actual contact between Canadians and Americans is the only real means of attracting the latter to our country, in worthwhile numbers.

We are not in favor of granting unlimited U. S. funds to wealthy individuals or families who want to spend most of their time in Florida or California but reasonable amounts granted to ordinary tourists, especially those owning summer cottages in the States and others wishing to go through the U. S. when driving from one Canadian point to another, would pay good dividends in more ways than one.

With Europe and the rest of the eastern hemisphere barred to Americans, Canada should have had thousands more tourists in 1940 than in any other year of its history, instead of fewer than in any during the past decade.

"GOOD BUSINESS."

Killarney, Man.

Sayings of the Week

"None in Canada are more impatient of (war) delays than members of the Government itself."—*Hon. W. L. Mackenzie King.*

* * *

"Nations, like individuals, can exist only in freedom and security if they are prepared to co-operate for mutual economic welfare and, if need be, for mutual defense." — *Viscount Halifax, British Ambassador to the U. S.*

* * *

"We people of the British Empire are opposing a new set or gang of men who are attempting to impose upon the peoples of the world, a new mode of life —the people for the state, not the state for the people." — *James Y. Murdoch, president, Noranda Mines Ltd.*

* * *

"Before Germany can be forced to a will for peace instead of war, millions of men with superior modern equipment may be required, for the end of this war must be a new order for Europe. The Empire is in the first stages of this war, and there is no room for complacency." —*Col. Fraser Hunter, Toronto.*

* * *

"Once we have gained the battle of the Atlantic and are sure of the constant flow of American supplies which are being prepared for us, then, however far Hitler may go or whatever new millions and scores of millions he may lay in misery, we who are armed with the sword of retributive justice shall be on his track."—*Winston Churchill.*

* * *

Stop Me If . . . .

The large factory had organized its own Home Guard, and the men were duly posted to guard the works.

The manager approached the main entrance, and the sentry, torn between duty and deference, challenged: "Halt, Mr. Brown; Who goes there?"

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How Canada's Biggest Buyer Buys

Sheils Explains How War Contract Prices Are Set

Since the war began, the Dominion Government for its own and British accounts has purchased over $1 billion of war equipment and supplies in Canada. Over 100,000 individual orders have been placed among thousands of firms scattered from the Atlantic to the Pacific. Ottawa has become easily this country's No. 1 buyer, and in a steadily increasing number of lines, practically the only buyer.

So long as war orders were not large enough, urgent enough or different enough seriously to disturb normal production, ordinary government purchasing machinery apparently has been used.

The usual check and counterchecks, the usual rule of the lowest tenders, seem to have been followed. Into such category would fall perhaps 25% of total war business to date. Included would be practically all the orders for $5,000 or less, much of soldiers' food, a considerable amount of replacement equipment.

Little interest was shown in this "normal" war buying by the special committee of the House of Commons on War Expenditures, which started to hear evidence last month.

Interest in Big Orders

The real interest of the committee was not aroused until the theme switched to the big orders where Canadian industry was asked to tender on contracts running into millions of dollars, and for goods of a kind only purchased for direct participation in war.

Here the old yardstick ceased to apply. There was no precedent of established prices, no precedent of established costs. In many cases there were no tenders, because neither the manufacturers nor the government buyer could estimate the cost.

Helping the Government in this work was a survey of Canadian industries started in 1938 with the objective of determining just what Canada could produce in the way of war supplies. Taking this survey as a basis, the Government went to the firms considered most capable and asked them to take over certain war orders.

Hire Whole Industry

In some instances the whole industry was called in, a committee representing that industry set up and orders allocated throughout the industry on the advice of that committee. This procedure was followed when Ottawa issued the first huge contract for uniforms. Millions of yards of cloth were involved and, according to the evidence, heard by the war expenditures committee, practically every large mill in the country was soon working for the Government.

After consultation with the industry, the system of using a "ceiling" price was adopted. This price was based on actual costs, determined by government auditors, after production was under way. The ultimate price paid the contractors would then be no higher than the ceiling price and might conceivably be lower as greater and continuous production permitted lower operating costs.

Rely on Profit Tax

As a double-check, of course, the Government relied on its excess profits tax to catch any profit over an established maximum.

The same procedure, according to G. K. Sheils, Deputy Minister, Department of Munitions & Supply, in his evidence, was followed in the making of steel truck bodies. He stated:

"We have been receiving large orders for motor vehicle transport and we practically organized an industry committee ourselves. That is, we asked the industry to get together and form a committee. This committee then allocated very substantial orders to the companies in the industry for the production of these steel bodies and they work on a definite percentage limit of profit with a ceiling price. This committee operated very efficiently in watching the performances of each contractor and has been a very great help to the department in securing delivery of these goods on time."

Small Companies

Mr. Sheils was queried in regard to the effect of this ceiling price policy on small companies. It was pointed out, for instance, that in the woollen industry there were scores of small mills scattered throughout the country whose costs on account of their limited capacity might be higher than their larger competitors.

Mr. Sheils stated that the government auditors in making their check might allow a higher cost in a smaller than a larger mill. One gathered from the evidence, however, that there was no great diversification in costs. In some cases, stated Mr. Sheils, the little mill has been found to be a more efficient operator than the big one.

Regional Orders

Certain national factors are also taken into consideration by the Government in the purchasing. Referring, for instance, to orders for military boots, Mr. Sheils told the committee:

"In the case, let us say, of a very large quantity of military boots to be delivered to military districts all across Canada, we would frequently break those orders up and call for tenders, so many in the Winnipeg district, so many in Vancouver and so many in the Maritimes and try and get the orders placed in those vicinities or as near as possible and at the lowest obtainable price in that vicinity."

In regard to entirely new production, the manufacture of equipment never turned out by a Canadian factory before, a different procedure has been followed in government purchases. Explained Mr. Sheils:

"In such cases, our plant survey records were of very great value as indicating the contractor who is likely to have the cost of the machinery needed and the greatest number of highly skilled workers and technical men. Utilizing these records and the knowledge which our officers themselves have of the plants across the country and the capabilities of the management therein, several contractors may be selected and asked to submit proposals. These proposals deal in great detail with the machinery and equipment, which the contractor would require in order to get into production, and all such proposals are scrutinized with great care by the technical officers of the department."

Target Price System

Then a "target price" is set. This, as the name indicates, is a figure to be aimed at. Mr. Sheils explained:

"In a case where a contractor has never produced an article before, and if we have a requirement for, say, 1,000 of a very technical item, we may arrange with the contractor after considerable negotiation that a target price may be set on the first 50 at, say, $200 each. This target price of $200 is worked out very carefully and in comparison with prices elsewhere, if we can get them, and with the knowledge our officers have as to the cost of raw materials and the number of man hours of labor and so forth which will need to go into the production of the article. In this way we arrive at an agreed upon target price of $200 for the first 50.

"These 50 are produced and the cost calculated. If the contractor has produced the first 50 at less than $200 target price, he is given a bonus of 25% of the difference between his costs and the $200 target in addition to a set profit figure. This set profit is usually figured at 5% on the $200, but is not shown as a percentage figure but as a set number of dollars. In this case a contractor would be allowed $10 profit. This target of $200 is supposed to be the cost to him of producing the article. He is given a $10 profit on that $200. If he produces the article at less than $200 he receives a bonus of 25% of the savings between his cost and $200 in addition to the $10 profit.

"If, however, he produces it at a cost in excess of $200 his profit is reduced usually by the same percentage as the excess. But the arrangement is made that he will receive a minimum profit which may be two or three per cent on the target price of $200."

Setting the Price

Eventually, of course, by this method an approximate cost of producing such an article is determined and future contracts would be based on that price, taking into account, of course, the fact that larger orders can usually be produced at lower unit costs than smaller ones.

As a further check on British Government orders handled in Canada by the Canadian Government, comparisons are understood to be made between prices in Canada and those in Britain.

A third case where tenders are considered impracticable was cited by Mr. Sheils. This has to do with the production of very secret equipment, such as range finders, fire control instruments. In such cases a contractor is usually called in; specifications are divulged to him in confidence and he is asked to work out a price. This, if acceptable to Government experts, then is used either as a ceiling or target price.

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B. C. Power May Expand Capacity

From Our Own Correspondent

VANCOUVER. — Statement of President W. G. Murrin in his annual report that if demand continues at present rates it will be necessary for B. C. Power Corporation to enlarge its plant capacity, is regarded here as hinting that a new expansion programme will likely be announced shortly.

From several sources there have been intimations that B. C. Power plans to proceed with its Bridge River hydro-electric project so as to meet the rapidly increasing demands of war and other industries in the lower mainland section of British Columbia.

While the Bridge River development was launched several years ago it has not been carried past the initial stages of production. The only important customers of Bridge River power at present are the gold mines of that district. To make the power available for the coast would involve considerable capital expenditure.

Serves Big Territory

B. C. Power Corp. is by far the largest public utility operation in western Canada, serving a territory of over 1,500 square miles with a population of more than 450,000, embracing 28 different communities.

The company has 11 hydro-electric plants and three steam electric plants. Last year it generated more than 636 millions kilowatt hours.

Meanwhile, to furnish power to meet the growing needs of the Okanagan and provide a margin for new industries, West Canadian Hydro-Electric Corporation is proceeding with an 18-month programme of expansion costing about $300,000. The present Shuswap Falls plant of 4,000 h.p. will be doubled.

A dam at Sugar Lake was constructed last year as a preliminary to this year's programme, which will include the drilling of a 100-ft. tunnel.

Canada Northern Power Reports Minor Changes

From Our Own Correspondent

MONTREAL.—No major developments nor additions of mining customers occurred during the past quarter, according to a letter sent to shareholders by Canada Northern Power Corp. Conditions at the mines have become stabilized, it was stated, though at a number of properties additional equipment is being installed, increasing the power demand.

Ottawa Light Makes Changes in Board

From Our Own Correspondent

MONTREAL.—Allan T. Lewis, K.C., was elected to the board of directors to replace T. F. Ahearn, at the annual meeting of Ottawa Light, Heat & Power Co. Harold W. Soper replaced Mr. Ahearn as vice-president.

See U.S. Taking Tighter Grip On Shipping

From Our Own Correspondent

VANCOUVER.—Rail movement of lumber from British Columbia to the east coast for transshipment to the United Kingdom has maintained high volume during the past month, but comparatively little lumber has been moving by the all-sea route owing to shortage of ocean tonnage.

Lumber exporters would not be surprised if the United States Government should move to establish a tighter control over American shipping so as to make more efficient use of the tonnage available.

The lumber trade would probably benefit from such action, as private interests under present circumstances have been encouraged to divert their vessels from the North Pacific to more profitable, shorter runs.

Under stricter government supervision, provision would be made for an adequate number of ships regardless of the profits.

Pacific coast mills are doing more business with the United States and the rapid pace of industry in the republic is creating demand for far more lumber than the American sawmills can supply. A large part of the overflow has already crossed the border into British Columbia.

Strike Trouble Less In Canada in March

Extent of strike trouble in Canada fell to a low ebb in March, the number of workers involved and the loss of working time both being the lowest for the month in the past 10 years. The number of strikers was less than either February this year or March, 1940, dropping over 40% in the latter comparison, while loss of working time shrank over 75% on the same basis.

Half of the time loss in March, 1941, was caused by disputes involving tannery workers at Oshawa, Ont., and an abrasives factory at Thorold. The comparative record for the month follows:

Strikes in Canada

	—March— 1941	1940	Feb. 1941
No. of strikes	11	12	8
No. workers involved	1,135	1,981	1,787
*Time loss	3,515	14,940	7,514

*Man-working days.

1940 Report Issued

Final figures on strike outbreaks in the Dominion during 1940, newly published in the Labor Gazette, show a moderate increase in labor trouble over 1939, but totals compare favorably with normal periods in the past 15 years. The loss of working time from strikes was approximately the same as in 1926, and was less than a third of the peak reached in 1937, the worst strike year for time loss since 1925.

The increase in strike totals last year is attributed chiefly to greater trouble in the textile, clothing and metal manufacturing industries. In coal mining, usually a major source of strikes, the number of disputes increased but the number of strikers was about the same and loss of working time decreased. Over one-half the time loss for the year was in manufacturing industries, the bulk of it in textile and clothing factories.

Causes of Strikes

Measured in time loss, the most important cause of disputes was demand for recognition of unions as bargaining agencies for workers. This led to 19 disputes involving 9,647 workers with time loss of 100,696 man-working days.

According to the Labor Gazette analysis, less than 9% of the workers involved in all disputes successfully attained their objective, while 60% were partially successful.

Following are comparative figures on strikes in the past five years:

Comparative Record

	1940	1939	1938	1937	1936
No. of strikes	168	122	147	278	156
Workers inv. (000's)	61	41	20	72	35
*Time loss	266	224	149	886	277

*Thousands of man-working days.

Army Orders Mean Record For Ford

Non-military Business up in Canada But Exports Drop

Gross sales and other income of Ford Motor Co. of Canada in 1940 amounted to $86.1 millions. This compares with $43.7 millions in 1939 and, according to W. R. Campbell, president, exceeded the previous peak year in the company's history —1929 when sales were $59.8 millions —by 44%.

The marked increase in sales volume "was attributable to the demand for motor vehicles for military purposes by His Majesty's Governments in Canada, the United Kingdom and other British Empire countries," states Mr. Campbell.

Sales of automotive units, including sales to overseas subsidiaries, totalled 97,360 last year, or an increase of 55% over 1939.

Civilian Output High

Production for civilian requirements was not seriously affected by the heavy volume of military output, states Mr. Campbell, with the exception of the last quarter of 1940 when production of 1941 models was retarded. This had an adverse effect on sales during that period. Volume of sales in Canada for other than military purposes last year amounted to $29 millions, an increase of $4.6 millions over 1939. This was more than offset, however, by a reduction of $5.9 millions in export shipments for non-military purposes. In comparison with the previous year, therefore, there was a reduction in total volume of non-military business of $1.3 million or 3.2%.

Overseas companies did not declare any dividends last year because of necessity of utilizing their liquid assets to handle the increased volume of war business from their respective governments.

Taxes $1.17 a Share

Provision for income and excess profits taxes for last year was more than trebled over 1939, being equivalent to $1.17 a share on the A and B common stocks, an increase equivalent to 79 cents a share over the 38 cents a share provided for this purpose in 1939.

Mr. Campbell states that aggregate unit sales by overseas subsidiary companies were substantially greater last year in spite of the fact that sales for civilian use were down about one third. Demand for military purposes accounted for the rise.

Overseas Net Less

Heavily increased taxes and low margin of profit on military orders, however, resulted in total profits of subsidiary companies decreasing from $3.2 millions in 1939 to $2.9 millions last year. Combined earned surplus of subsidiaries is up $2.3 millions to $6.4 millions. Total general reserve of subsidiary companies now amount of $650,516.

Land, buildings, machinery and equipment account increased last year by $2.3 millions. This includes $827,132 as cost of an extension to the machine shop building. This amount also includes additions and replacements of machine tools, less $158,835 representing original value of assets disposed of during 1940. In addition to the above amounts, made by the company on its own account, contracts were made with the Department of Munitions and Supply which authorized Ford of Canada to purchase additional machine tools for the account of the Canadian Government to the value of $2.1 millions required for production of special military type vehicles.

Further details of the income account and balance sheet will be found on another page.

C. S. L. Replacing Hotel Tadoussac

From Our Own Correspondent

MONTREAL. — Canada Steamship Lines is calling for tenders for construction of a new hotel which will replace the present structure at Tadoussac. The proposed hotel will contain 140 bedrooms and will cost somewhere around $300,000.

It is the intention to continue operations of the Hotel Tadoussac this season and, if tenders are accepted, work on the new building will be completed during the coming winter to get the new building ready for the opening of the 1942 season.

The Week in Business

Current business continues in satisfactory volume, with D. B. S. index of business activity for week ended April 5, 8% above last year.

Railway carloadings for week ended April 5 at higher point for year, and about 18% above year ago.

Railway gross traffic earnings for first week of April 44% above 1940 for C. N. R. and up 30% for C. P. R.

Flour exports lower in March and first quarter than in previous year.

Wheat exports higher in March, but slightly below last year for first quarter.

Newsprint production in March 9% above year ago. Total for first quarter up 6%.

Crude oil imports, in February, above last year.

Shoe production lower in February and first two months than year ago.

Raw rubber imports, in February, 8% higher than in 1940; total for two months up 15%.

Trend of business shown by The Financial Post Business Index and following key factors; new items for the week being marked thus ▪.

TREND OF BUSINESS—	Apr. 5	Mar. 29	Mar. 22	Mar. 15	Apr. 6/40
Weekly index of business, D.B.S.	112.3	111.9	108.6	110.6	103.5
Commodity prices index no.	86.5	86.0	86.0	85.7	83.2
	Feb.	Jan.	Dec.	Nov.	Year Ago
The Financial Post business index	*152.5	154.6	152.9	153.4	132.9
Retail sales index no.	130.2	124.5	130.9	123.0	111.5
Dept. stores sales index no.	125.4	123.2	132.0	128.5	108.2
Wholesale sales index no.	110.6	106.2	125.0	131.7	98.9
Country store (% change pr. yr.)	+4.4	+2.4	+3.8	+15.4	+12.5
EMPLOYMENT INDEX Nos., D.B.S.	Mar. 1	Feb. 1	Jan. 1	Dec. 1	Year Ago
All industries	135.3	135.2	134.2	139.1	113.5
Manufacturing	150.8	147.4	142.5	144.7	122.6
Living costs weekly budget ...	....	$18.13	$18.26	$18.22	$17.71
			Jan. 1 to date		%
RAILWAYS	1941	1940	1941	1940	Change
▪Carloadings (week Apr. 5)	58,840	49,701	759,179	654,181	+16.0
▪C.N.R. gross (week Apr. 7) $	5,594,051	3,877,506	70,292,518	57,251,621	+22.7
▪C.P.R. gross (week Apr. 7) $	3,595,000	2,760,000	49,007,000	38,398,000	+27.7
C.N.R. net revenue (Feb.) $	2,609,117	1,763,188	5,759,511	3,434,984	+67.7
C.P.R. net revenue (Feb.) $	2,608,569	1,972,421	5,274,331	3,800,927	+38.7
IRON AND STEEL—Feb.—					
Pig iron production (tons)	91,165	87,032	194,250	191,735	+1.3
Steel ingots and castings prod. .... (tons)	172,698	140,343	358,975	306,839	+17.0
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Feb.)	6,728	7,780	12,455	14,518	—14.2
Factory output ... (Feb.)	10,647	12,779	22,637	25,358	—10.7
Trucks and Buses:					
Domestic sales* .. (Feb.)	2,462	2,054	4,741	4,090	+15.9
Factory output ... (Feb.)	13,063	5,414	24,268	10,048	+14.2
Financing:					
Used .... (Feb.) $	2,890,020	2,223,756	5,297,171	4,016,975	+31.9
New .... (Feb.) $	2,454,932	1,963,864	4,592,801	3,798,852	+20.9
CONSTRUCTION—					
Contracts awarded . (Mar.) $	13,991,900	11,726,100	65,276,300	32,339,700	+102.0
▪Cement prod., bbls. (Jan.)	283,000	191,000	....	....	+48.1
AGRICULTURE—					
Flour prod., bbls. .. (Feb.)	1,462,187	1,246,798	2,639,556	2,513,101	+5.0
▪Flour exp., bbls. ... (Mar.)	559,139	715,579	1,520,714	2,000,233	—23.9
▪Wheat exp., bush. .. (Mar.)	11,622,719	8,628,277	25,962,393	25,584,119	+1.2
Cattle sales▴ .... (Mar.)	71,188	64,934	223,645	209,547	+6.7
Hog sales▴ .... (Mar.)	481,667	354,406	1,525,394	1,119,661	+36.2
SEA FISHERIES—‡					
Catch cwts. .... (Feb.)	280,800	1,137,700	872,700	2,163,600	—59.6
Landed value ...... (Feb.)	452,300	668,700	1,105,400	1,415,200	—21.8
NEWSPRINT—					
▪Production, tons ... (Mar.)	275,769	251,279	782,674	734,134	+6.6
▪Exports .... (Feb.) $	10,324,000	8,247,000	20,087,000	19,282,000	+4.1
MINING AND OILS—					
Coal prod., tons .... (Feb.)	1,480,601	1,490,355	3,226,083	3,223,036	+0.00
Coal imports, tons .. (Feb.)	508,412	457,642	1,037,982	914,717	+13.4
Gold prod., fine oz. (Feb.)	411,880	348,739	873,482	773,120	+12.9
▪Crude oil prod., bbl. (Jan.)	802,700	486,900	....	....	+64.9
▪Crude oil imp., gals.† (Feb.)	63,266	50,128	118,463	114,619	+3.4
ELECTRIC POWER OUTPUT—(February)—					
Total monthly, 1,000 kw.h.'s	2,407,068	2,367,031	5,041,763	4,893,174	+3.0
FOREIGN TRADE—♦					
Imports .... (Feb.)	89,631,628	71,041,535	188,014,090	142,145,698	+32.2
Exports .... (Feb.)	100,532,334	72,314,071	189,484,993	163,167,908	+16.1
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (Feb.)	151,941	117,668	316,833	285,195	+11.1
▪Shoes, prod., pr. ... (Feb.)	2,215,864	2,279,562	4,116,949	4,353,090	—5.4
Cotton consump., lb. (Feb.)	16,603,876	17,927,590	32,283,458	31,601,104	+2.1
▪Raw rubber imp., lb. (Feb.)	8,073,008	7,373,877	21,595,715	18,679,104	+15.6
Cigarette cons. No.† (Feb.)	556,519	500,689	1,180,090	1,134,961	+3.9
Sugar manufactured .. lb.§	60,847,403	34,864,788	142,081,560	122,751,496	+15.8
FINANCE—					
Bank debits† ...... (Feb.) $	2,540,182	2,955,217	5,481,286	5,629,552	—2.6
Bond sales† .... (Feb.) $	115,288	116,734	196,596,489	436,922,335	—55.0
Life insurance sales (Feb.) $	31,500,000	31,820,000	59,826,000	65,546,000	—8.7

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.. *Final.
▴Total at yards and plants
New items for week marked ▪
†000's omitted. §For four weeks to March 22. ♦Gold excluded.

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Banking

"Not Worth a Continental"

American Colonies Found How Inflation Works

This article, the seventh in a series on currency inflation, tells how the American colonies, when they revolted, tried to finance by printing paper money. The results were the continental dollar became worthless; that's where the phrase, "Not worth a Continental," came from.

The next article will deal with inflation experiments at the time of the French Revolution.

By **DONALD G. MACLEAN**
Staff Writer, The Financial Post

When the American colonists revolted against Great Britain one of their first problems was finances. Money had to be found to buy supplies and pay the troops. The treasuries of the colonies were practically empty.

The colonists disliked taxation even when imposed by their own Continental Congress. They had no credit on which to borrow, their export trade was small. But the need for funds was urgent. The easiest and quickest way seemed to be to print the amount of money required.

Colonists Had Precedent

In doing this they were but returning to a policy which had previously prevailed in some of the colonies. It had been followed with the tacit consent of the British Government up till a few years previous to the revolution. Even after 1764, when Britain passed legislation restricting the issue of legal tender notes by the colonial governments, they got around the law by issuing temporary treasury notes which while not legal tender passed readily from hand to hand. So large had been the previous issues of paper money, both legal tender and temporary treasury notes, that in 1774, in spite of all restrictions, there was still $10 millions to $15 millions of paper money in circulation in the colonies. Accordingly, the colonists were only using an instrument with which they had become familiar over many years.

Use of this fiat money was also encouraged by the fact that hard money had become associated in the colonial mind with British restrictions, Toryism; paper money with democracy freedom and the rights of the people.

After Bunker Hill

A week after Bunker Hill the Continental Congress authorized the issue of $2 millions bills of credit. Previous lessons of the depreciation of the colonial paper money were forgotten. The Continental Congress went cheerfully down the primrose path of currency inflation and between 1775 and 1779 $240 millions in bills of credit were issued.

At first these bills were to be redeemable on a certain date in specie. As time went on the authorities found it advantageous to extend this date and finally they hit on the convenient idea of putting no date on at all, which meant that the bills could be kept in circulation indefinitely.

The amount of issue was kept in check for the first two or three years and depreciation did not at first become evident. But as the amount in circulation kept on increasing, the inevitable occurred. The purchasing power of the paper dollar declined; prices soared. The authorities, finding the buying power of their currencies falling, saw no other way out than to issue more money. Accordingly there developed the familiar spiral of currency inflation followed by rising prices, followed by further inflation, followed by further price advances and so on.

Finally the printing presses were working so fast members of Congress found they could not spare the time to sign bills issued and several dozen men were hired to do the signing.

Acceptance Compulsory

As the buying power of the paper dollars fell, attempts were made to give real value to the note. An example of this is found in a resolution passed by Congress stating:

> "Resolved therefore that any person who shall hereafter be so lost to all virtue and regard for his country as to refuse to receive said bills in payment, or obstruct or discourage the currency or circulation thereof . . . . shall be deemed, published and treated as an enemy in this country and precluded from all trade or intercourse with the inhabitants of these colonies."

By 1779 the continental dollar, in terms of specie dollars, went from a ratio of 8 to 1 in January to 38½ to 1 in November the same year and by May, 1782, the ratio was 500 to 1.

A Speculative Commodity

Finally the bills of exchange became nothing more than a speculative commodity. People bought and sold continental dollars much as 140 years later they were to buy and sell Russian rubles and German marks. In Virginia, according to the computation of the time, a woman could buy a fairly good pair of shoes for $5,000.

As usual the worst sufferers were those who could least afford to lose. The aged who had retired to live on savings, retired farmers, widows and orphans, found that instead of having a comfortable income they probably had only enough to keep them for a week. Workers found it difficult to keep up with the cost of living. Uncontrolled creation of paper money without regard to the state of business or trade or actual wealth of economy had again failed.

Brazilian Decree Hits Royal Bank

From Our Own Correspondent

MONTREAL.—Royal Bank of Canada is affected by the order issued by the Brazilian Government banning operations of all foreign banks of deposit in Brazil as from June 30, 1946.

Under the decree the only banks of deposit permitted to function in Brazil after the affected date would be those whose capital "belongs entirely to individuals of Brazilian nationality."

Royal Bank of Canada has been represented in Brazil for many years. The extent of its operations has never been made public. The bank operates branches in Rio de Janeiro, Santos, Sao Paulo and Pernambuco.

Note Circulation Shows Increase

Demands of Spring Business Require Expansion at Bank of Canada

Expansion of almost $20 millions in holdings of sterling and United States exchange is shown in the statement of the Bank of Canada for the week ended April 9. As investments, however, were reduced by $6 millions and miscellaneous assets including cheques on other banks fell $18 millions, total assets of the bank were $4.9 millions lower on the week.

On the liability side, total deposits were down $4.5 millions and miscellaneous liabilities, $6.2 millions. Note circulation rose $5.8 millions.

In the deposit account the deposits of the Dominion Government fell $12.8 millions while those of the chartered banks, with the Bank of Canada, rose $9.6 millions. Other deposits were down $1.4 million.

The increase in circulation was probably due to the spring acceleration in business.

Liabilities	Apr. 9 1941 $	Apr. 2 1941 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	372,844,492	367,083,008
Rest fund	3,722,910	3,722,910
Depos.: Dominion	12,279,432	25,046,316
Bank	228,844,020	219,205,461
Other	3,950,655	5,346,045
Total deposits	245,074,107	249,597,822
All other liabs.	5,381,955	11,542,659
Total liabs.	632,023,464	636,946,399
Assets		
In sterl. & U. S.	102,823,737	82,843,037
Subsid. coin	837,020	844,916
Investments:		
Dom. gov. short	401,293,172	408,546,515
Other Dom. gov.	115,732,876	115,061,725
Total invest.	517,026,048	523,608,240
Premises	1,712,940	1,711,852
All other assets	9,629,719	27,938,354
	632,023,464	636,946,399

Big New York Bank At Head of List

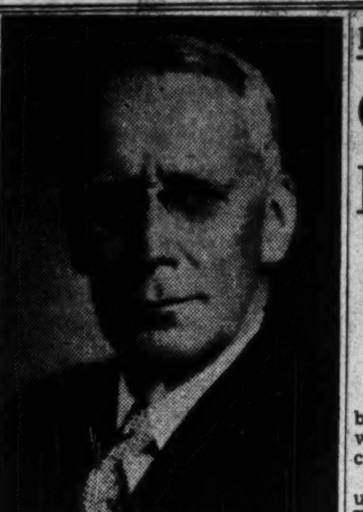
Institutions in English-speaking World Ranked By Deposits

The largest bank in the English-speaking world is the Chase National Bank of New York, with deposits of $3.5 billions, according to the 15th edition of "The Deposit Liabilities of 150 of the Largest American, British, Colonial and Dominion Banks," a booklet compiled annually and just released by California Bank of Los Angeles.

National City Bank of New York, with deposits of $2.9 billions, is second and is followed by 12 other billion dollar banks with deposits as follows:

	$000
Guaranty Trust Co., New York	2,423,223
Midland Bank Ltd., London	2,336,354
Barclays Bank Ltd., London	2,202,937
Lloyd's Bank Ltd., London	1,981,710
Westminster Bank Ltd., London	1,656,088
Bank of America, San Francisco	1,632,228
National Prov. Bank, London	1,537,404
Continental Ill. Nat. Bk., Chicago	1,491,577
Bankers Trust Co., New York	1,460,558
Central Hanover Bk., New York	1,294,307
First Nat. Bank, Chicago	1,159,424
Bank of England, London	1,015,279

Canadian banks in the first 150 list come as follows, with number indicating rank: Montreal 20, Royal 22, Commerce 27, Nova Scotia 51, Imperial 96, Toronto 111, Nationale 117 and Dominion 126.



MOVES UP

Edwin Crockett has been appointed senior assistant general manager of the Bank of Nova Scotia, succeeding H. D. Burns, who becomes general manager. Mr. Crockett has been an assistant general manager since 1934. He comes originally from Prince Edward Island.

Insurance Notes

Proposals for compulsory automobile insurance are frequently brought forward in Canada and the United States. Insurance men of both countries are interested in developments on either side of the border as showing the trend of sentiment.

The latest development is the introduction of a measure in the Michigan Legislature which would require every motorist in the state, resident as well as non-resident, to file a certificate of financial responsibility for public liability and property damage before operating a vehicle on state highways. Limits of $5,000 and $10,000 are set for public liability and $1,000 for property damage. Either insurance policies or bonds would be acceptable as evidence of financial responsibility under the law. The secretary of state of Michigan, after satisfying himself of the financial responsibility of the motorist, would issue an insurance identification card and, according to the proposed measure, it would be illegal to travel in the state without this card.

* * *

The National Fire Protection Association will hold its annual meeting in Toronto the week beginning May 12. The Association of Canadian Fire Marshals will join the convention in the Fire Marshal's section. The Dominion Fire Prevention Association will meet in Toronto the same week.

Problems of civil defense as they affect the fire prevention interests will be discussed, also current developments in arson control, and allied matters.

Life Insurance

Companies Show Gain In Foreign Business

Insurance in Force With Canadian Companies Abroad Higher Despite Decline in New Business Written

Although Canada was at war, business in force outside Canada with the Canadian life insurance companies increased in 1940.

According to preliminary figures recently released by G. D. Finlayson, Superintendent of Insurance for the Dominion, the amount of ordinary insurance in force with Canadian companies in other countries at Dec. 31, 1940, was $2,920 millions, a gain of almost $13 millions over the previous year.

This gain in insurance in force was accomplished in spite of a decrease of almost $42 millions in new insurance written.

There are 20 Canadian companies out of the 28 licensed by the Dominion Department of Insurance which do business outside Canada.

Write Group Insurance Also

In addition to ordinary insurance many of them write group insurance abroad as well. The total amount of this foreign group business written in 1940 was $20.2 millions compared with $16 millions in 1939. Group business in force in other countries at the end of 1940 was $307.2 millions against $282.7 millions the year before.

Group and ordinary insurance written by the Canadian companies outside Canada in 1940 was $218.8 millions. The total foreign business in force at Dec. 31 was $3.2 billions or about 42% of all the business these companies have in force.

Writing of new business in the United States and its dependencies in the earlier months of 1940 was affected adversely by the fact that Canada was at war. This seemed to deter some people from placing insurance with a Canadian company. But as time passed this feeling disappeared.

An important factor helping to bring this about was the realization that the foreign business of the Canadian companies stands on its own feet, through state government requiring such companies to maintain deposits in the particular state. This requirement also holds in the United Kingdom and practically every country where the companies do business. The Dominion Department of Insurance requires all outside companies writing insurance here to maintain, with the Receiver General, a deposit for the sole protection of Canadian policyholders.

Sale of life insurance in the United Kingdom was affected by war, by heavy taxation.

In addition to maintaining deposits abroad to meet liabilities, Canadian companies also maintain adequate supplies of foreign currencies so they can meet claims.

F. E. C. B. Co-operates

The Foreign Exchange Control Board has made arrangements which enable the companies to carry on their foreign business with a minimum of inconvenience.

The countries in which the Canadian companies operate include, in addition to the United Kingdom and the United States, Eire, Northern Ireland, Cyprus, Malta, Hong Kong, Shanghai, India, Palestine, Straits Settlements, Philippine Islands, Bermuda, the West Indies, Central and South America and Egypt.

Ordinary Insurance Written by Canadian Companies Outside Canada

	New Business 1940 $	New Business 1939 $	Business in Force 1940 $	Business in Force 1939 $
Canada	14,518,919	18,034,653	316,656,630	319,063,119
Confederation	13,999,058	15,588,156	145,202,101	140,422,793
Continental	86,235	158,889	714,581	678,463
Crown	10,404,144	13,171,030	72,222,327	68,027,463
Dominion	3,239,356	3,383,646	17,950,874	16,130,017
Dom. of Canada	180,129	332,259	1,104,285	1,668,705
Equitable	71,230	178,184	2,073,272	2,153,853
Excelsior	49,300	232,541	2,547,721	2,737,151
Great-West	10,662,224	12,701,627	105,680,551	102,239,531
Imperial	3,983,538	5,460,458	63,411,994	63,797,721
London	139,057	287,878	4,312,669	4,449,141
Manufacturers	26,111,295	31,635,953	291,996,212	283,189,750
Maritime	63,350	238,011	3,461,460	3,597,275
Montreal	260,431	282,805	3,599,870	3,627,600
Mutual	1,733,160	1,635,976	21,294,599	20,897,611
National	480,815	535,125	5,179,208	5,127,461
North American	3,498,530	2,989,112	24,568,180	21,858,030
Northern	861,968	895,204	2,534,173	2,026,341
Sauvegarde	15,850	16,000	414,107	434,408
Sun	108,241,459	132,521,735	1,835,244,622	1,844,692,058
Total ordinary	198,600,048	240,104,840	2,920,169,436	2,907,418,942
Total group	20,260,102	16,003,352	307,228,407	282,759,652
All foreign business	218,860,150	256,272,594	3,227,397,843	3,190,177,901

Fire Insurance

Ontario Fire Losses Down

Number of Fires Also Lower 1st Quarter

Fire losses in Ontario for the first quarter of 1941 show a decline from a year ago both in number and in total actual loss as well as insurance loss, according to the report of the Ontario Fire Marshal.

The report states that the decline was general and not confined to any one class of buildings. The number of very large fires was reduced by almost 50%.

In the causes of fires, the biggest reduction was in those caused by stoves and furnaces, with little change in the other classifications.

One feature stressed by the Fire Marshal is that there are no reports for the quarter of spontaneous combustion fires in barns.

Comparative figures for the quarter follow:

	First Quarter 1941	First Quarter 1940
Number of fires	3,469	4,878
Total loss	$2,040,172	$2,874,601
Insurance loss	$1,765,931	$2,453,767

There were no incendiary fires in industry in Ontario, the Fire Marshal also states, nor was there any known case of sabotage, or attempted sabotage, by fire or explosion.

In the first 18 months of the war period, since Oct. 1, 1939, the total fire loss to Ontario industry has been $1.5 million, of which $1.4 million was covered by insurance.

Classification of Property

	Fires
Brick dwellings, prot.	1,278
Frame dwellings, prot.	998
Brick dwellings, unprot.	34
Frame dwellings, unprot.	170
Other dwellings	244
Other 2 or 3 yr. risks	84
Mercantile risks, wholesale	15
Mercantile risks, retail	192
Other mercantile risks	28
Breweries, etc.	...
Shoe factories	...
Canning factories	...
Conf. & biscuit factories	1
Flour & oatmeal mills	7
Grain elevators	1
Laundries	18
Sawmills	...
Lumber mills	2
Machine shops & metal works	19
Mining risks	5
Pork packing & curing houses	2
Pulp & paper mills	1
Street car barns	...
Tanneries	...
Woodworking factories	9
Woollen & knitting mills	4
Other mfg. risks	34
Other 1 yr. & short term risks	241
Sprinklered risks of whatever nature or occupancy	43
	3,430

Classification of Causes

	Fires
Chimneys, flues, etc.	262
Stoves, furnaces, etc.	528
Hot ashes & coals	176
Sparks on roofs	126
Exposure fires	11
Smoking	959
Matches	161
Lights (other than electric)	77
Electricity	289
Lightning (unrodded bldgs.)	3
Spontaneous combustion:	
(a) In barns	...
(b) All others	29
Petroleum and products	68
Incendiarism	9
Miscellaneous	187
Losses under supplemental contracts	1
Unknown	544
	3,430

Weekly Bank Clearings

	Apr. 10 1941 $	Change Year Ago %	Apr. 3 1941 $
Halifax	3,167,288	+22.2	3,706,591
Saint John	2,270,749	+18.0	1,886,756
Moncton	786,856	+12.8	891,461
Sherbrooke	830,923	—1.5	863,562
Quebec	4,620,561	+4.1	5,086,955
Montreal	89,159,512	—6.7	116,710,616
Ottawa	60,737,897	+76.1	73,391,708
Kingston	674,058	+11.6	650,398
Peterborough	605,525	+46.1	717,522
Toronto	97,636,881	+9.0	135,927,300
Hamilton	5,976,574	+25.1	7,827,599
Kitchener	967,439	—1.5	1,700,133
Brantford	905,069	+9.3	1,145,600
London	2,318,135	—1.9	2,641,951
Chatham	625,210	—7.2	710,464
Windsor	3,110,519	+23.6	3,048,798
Sarnia	488,515	+18.5	438,715
Sudbury	992,035	—1.8	985,081
Fort William	903,583	+32.0	1,207,752
Winnipeg	31,230,561	—11.3	39,909,774
Brandon	325,157	+9.6	364,780
Regina	3,981,348	+28.8	4,154,159
Moose Jaw	572,135	+27.9	547,855
Saskatoon	1,253,178	+4.7	1,473,755
Prince Albert	371,332	+14.1	389,755
Edmonton	4,422,385	+17.7	4,772,625
Calgary	6,204,641	+36.5	6,395,746
Lethbridge	578,437	+19.9	557,038
Medicine Hat	367,954	+51.2	265,581
N. W'minster	796,623	+22.6	888,205
Vancouver	18,365,233	+14.2	21,053,665
Victoria	1,845,356	+40.5	1,956,811

Inland Underwriters Elect New Officers

The recently formed Canadian Inland Underwriters Association has elected the following officers for the 1941 season:

ARTHUR TUCKER, Dale & Co., Toronto, chairman.

E. W. SCHAUFFLER, British America-Western group, Toronto, vice-chairman.

WILSON E. McLEAN, Toronto, secretary-treasurer.

Executive Committee

S. M. ELLIOTT, Phoenix of Hartford, Montreal.

R. H. LECKEY, Aetna Insurance Co., Toronto.

C. S. MALCOLM, Royal Exchange, Montreal.

E. B. REED, Chubb & Son, Montreal.

H. F. RODEN, Commercial Union, Montreal.

H. C. MILLS, Insurance Co. of North America, Toronto.

P. A. CODERE, St. Paul Fire & Marine, Winnipeg.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

R. POULETTE, accountant, Rouyn, Que., to be manager, Duparquet, Que.

J. Saxelby, manager, Duparquet, Que., to be manager, Noranda, Que.

E. A. CORBEIL, at present in charge, to be manager, Perron, Que.

R. A. GAGNON, manager, Noranda, Que., to be manager, Rouyn, Que.

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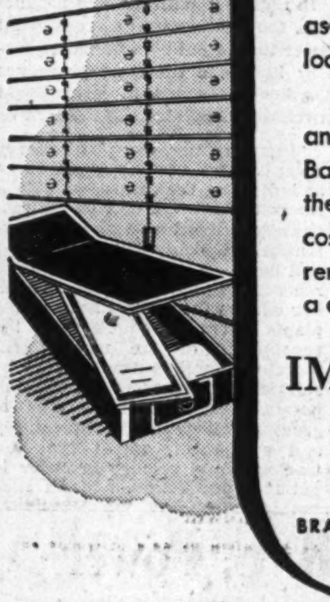

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Where Are The Wartime Profiteers?

There Aren't Any, Analysis of Profits and Taxes Reveals

By W. BRUCE MacKINNON

Staff Writer, The Financial Post

Without fanfare and without complaint Canadian industry has enlisted wholeheartedly in this total war. Willingly it has assumed a double burden; that of providing the actual military equipment and, in a large measure also, the task of paying the bills.

Even before war was declared industry offered its entire services to Ottawa. It was prepared to switch over from peacetime production to war its foundries, its smelters, its textile mills and its food-processing plants. In the 20 months that have followed September, 1939, it has turned out a steadily swelling flood of key metals, shells, guns, mechanized equipment, food and uniforms. And it has performed this gigantic task at actually less than its modest wages of peacetime.

While hundreds of thousands of workers have been given new jobs, while factories have stepped up production from one shift every 24 hours to three, while output of production in terms of dollars has doubled or tripled, returns on the capital used have decreased.

"Excess" Rate 106%

Figures for 130 of the major companies whose business year ends with the calendar and thus reflects the full extent of actual war operations show that industrial earnings were less in the first war year than they were in the last peace year. Net profits of these companies rose $67.6 millions in 1940 before taxes. Taxes jumped $71.6 millions, leaving net profits for shareholders some $4 millions lower.

The increase in taxes paid by these companies amounted to 106% of the gain in earnings, as compared with an official excess profits tax rate of 75%.

In two of the major industrial groups, metal working and textiles, the Government's share of profits is greater than that of shareholders. Taking the 130 companies as a whole, the Government took 39 cents out of every dollar of profits as compared with 19 cents the year before.

In terms of percentages, taxes paid by these companies rose 150%, while the leavings for shareholders were lower by 2.016% and down as much as 22% in individual industries. If you exclude the gain shown in the earnings of pulp and paper companies, average cut absorbed by shareholders would be over $8 millions or 4.31% below 1939.

One Group Ahead

But the shareholder whose investment earned him 96 cents in 1940 against $1 in 1939 was more than four cents in the hole. Cost of living averaged 5% higher in 1940, with the result that earnings for the shareholder were actually 9% lower than they had been. And from this 91 cents worth of purchasing power the shareholder still faced payment of sharply higher personal income taxes.

In the metal-working industries, in which are included electrical equipment firms, taxes absorbed 53 cents of the profit dollar in 1940 as compared with 25 cents in 1939. Government took $4.3 millions more in taxes than was left for shareholders.

In only one group, the abnormally prewar depressed pulp and paper industry, was there a greater return to capital in 1940 than in 1939. The net available for shareholders rose $4.2 millions, but the industry had to pay an added $6 millions in taxes to show the improvement. Pulp and paper prosperity is traceable only indirectly to war, the gains having come as a result of the closing of markets to Scandinavian exports and from the exchange premium. Aside from its contribution to Canada's foreign exchange reserves, the industry could not be classed as a war industry. The fact that the only industry to show substantial improvement in net profits should be a non-war industry is striking evidence of the tax contribution made by Canadian companies working on war contracts.

It cannot be argued that the reason for these lower profits was due to the fact that in 1940 our war industries were still in the development stage. Several of them were going full blast. The textile industry is an example. In 1940 Canada put about a quarter of a million active service men in uniform. In addition, tents, tarpaulins and other fabric equipment had to be provided for the active service men and some 80,000 trainees. All told, the textile industry provided semi-durable equipment for something like 300,000 men, about half the total number of Canadians in uniform in the last war. There seems little likelihood that the industry will be called upon for much greater output in subsequent years.

But net profits in this group were actually lower by 22% in 1940. Taxes took a little more than 50 cents of the earnings dollar, three times the amount for 1939.

Enlistment Complete

Output of extraction industries also reached new highs in 1940. Yet earnings of this group were $2.3 millions lower in 1940, and only one major company, Hudson Bay Mining & Smelting, showed a gain in net profits, due largely to growth of the company. Against a drop of $2.3 millions for shareholders, the taxes paid by the 10 companies in the group rose $14.3 millions.

Enlistment of capital began with the Empire metals agreement in 1939 when the mining industry agreed to fixed low prices for their products. It continued with the price ceiling imposed on wool a few months after the war began, later with other commodities. Enlistment widened to include all of industry with the excess profits taxes of the 1940 budget.

Compared with manpower the contribution of wealth has been more complete and widespread. No business is free of war taxes. Although the extractive industries, the public utilities, the consumer trades and the gold producers have thus far escaped with a mere doubling of the amount of tax paid, that condition would instantly change with higher earnings.

The "ceiling" for wage arbitration is the average of 1925 to 1929 wages. The base period for taxation is the average of 1936 to 1939, inclusive. A high level period for labor; low level for capital. Average annual income for the years composing the labor base was $454 per capita. For the base period on which capital is being taxed the average was $338.

When it came to fixing the return to be allowed on capital invested in housing, no base period at all was permitted, rents were pegged at the Jan. 2, 1940, level, regardless of the return to capital at that date. Contrast this with the pegging of butter prices at 35 cents per pound, 25.7% higher than the 1939 monthly average, and the absence of any peg on cod liver oil when it became scarce after the occupation of Norway.

The Dominion Government is subsidizing the adjustment of the West to war conditions by acreage bonuses, and subsidizing hog production in the East by meeting part of the freight cost of feed grains. Provincial governments follow pretty much the same policy. At the same time that Ontario prolonged its "temporary" 5% corporation income levy, it was subsidizing hog and cheese production. Part of the taxes paid by industry operating at increased pace without profit incentive are being used to provide an incentive for other sections of the economy.

What's behind this discrimination?

Most important factor is that industry, or more particularly capital, is willing to help carry the burden of other industries that face curtailment of output due to the cutting off of export markets by the war. There has been no widespread criticism of any reasonable attempt to maintain Canada's agricultural economy, temporarily thrown out of gear by the war. Other industry realizes that agriculture is a war casualty, but that it must be maintained now so that it can again play its important role after the peace.

Progressively lower interest rates on government bonds, the 3% rate on War Savings Certificates contrast with coupon rates of 5½% on Victory Loans in the Great War. Effect on the investor's income of low interest rates, high taxes and rising living costs is not very different from that of extreme inflation, but does not carry the psychological palliative of rising commodity and stock markets.

No Kicks from Capital

The question of high taxes is touched on in most company reports, but for the purpose of informing shareholders what is being done with their money and the part their company is playing in the war, not as a means of stimulating opposition to taxation. The roster of industrial leaders lending money interest-free to the Government lengthens daily. Government bonds are appearing on balance sheets of businesses which formerly had no investment account.

Brighter side of the war picture for industry is that companies working on low-profit war orders are able to keep plants in good order. In addition, they have to a large extent been freed from bearing the cost of plant extensions.

In the revised John Inglis Co. contract, the company has the option to purchase the Government-owned section of the plant for a period of five years after the end of the war. Other capital assistance measures presumably carry similar options. All mention of price at which the Government would sell the plant to the Inglis Co. was absent.

But if industry isn't making profits, who is? National income jumped half a billion dollars in 1940, is scheduled to tack on another $1.3 billion in 1941.

In the June, 1940, budget, it was estimated that the new taxes would bring in a total of $280 millions, but this was later revised upward to $350 millions. Increased taxes would thus absorb some 70% of the gain in national income, leaving about $150 millions as increase for citizens.

Relief rolls at the end of 1940 numbered 322,000 fewer relief recipients than at the end of 1939. It was to these people, who largely absorbed the new jobs opened by war industry, that the net gain in national income went.

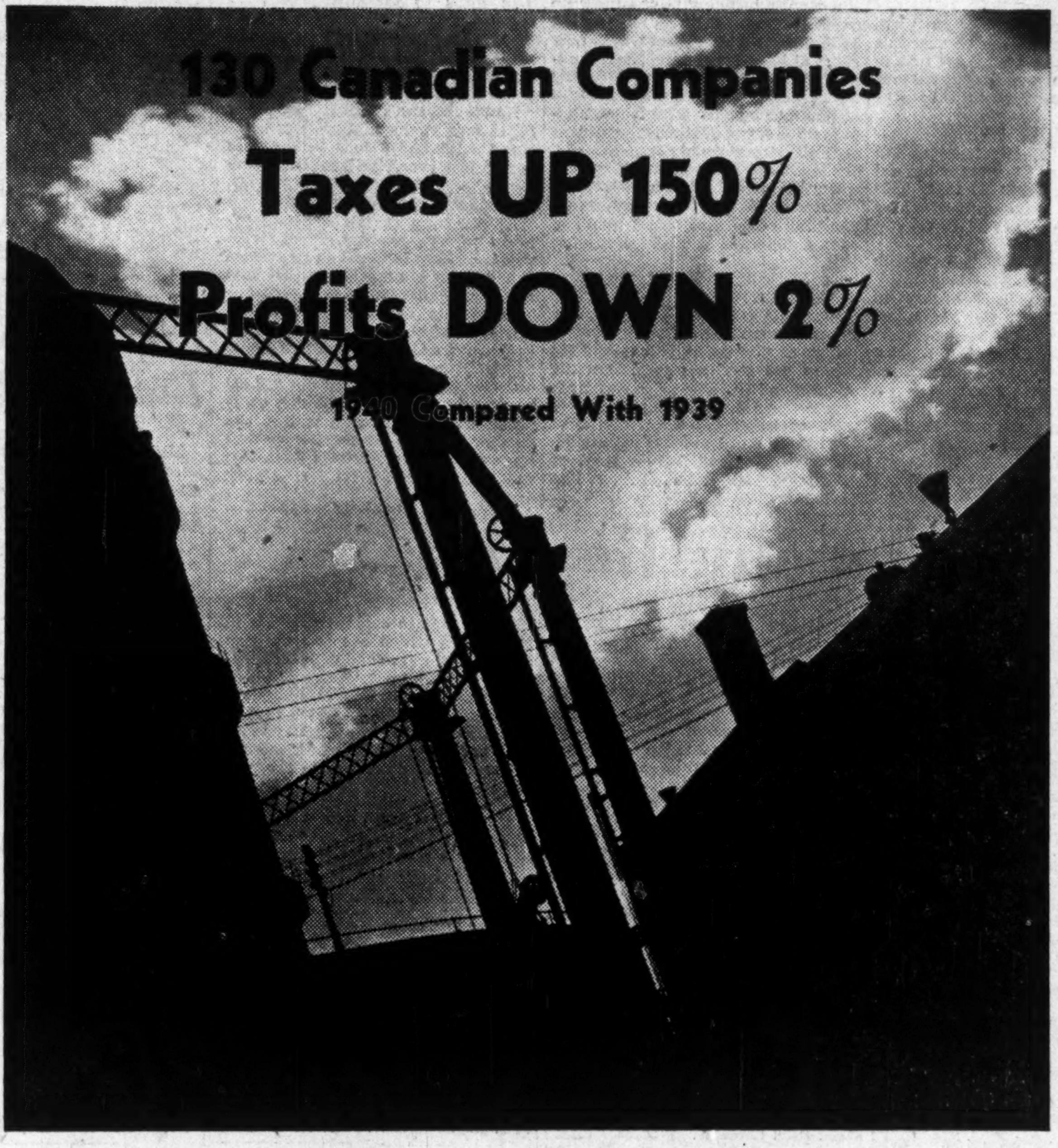
Exit the Profiteer

Compared with an average tax rate of 70% of the improvement in income, the 106% ratio paid by the 130 companies whose reports are studied above reveals how little of the gain in income accrued to capital.

What improvement there was in private wealth could only have taken place through a large number of minor improvements. Large scale profit-making in this war by capital, even if there were any incentive, is almost physically impossible under the existing structure of personal and corporate taxation. Capital appreciation on investments provided the only possible loophole. Let us look at the record here.

Canadian stock markets ended 1940 at price levels fully 15% below those prevailing at the end of 1939 and does any reader need to be reminded of the stagnation in trading that ruled during most of that period. A small trading profit was available occasionally by means of arbitrage between Canadian markets and New York, but this was limited to skilled traders and was seldom worthwhile to private investors.

Attempts to take advantage of the exchange premium by playing the free market rate of exchange on U. S. funds against the official rate were made in a few instances. As the business was against foreign exchange regulations, and involved a high degree of collusion with operators on both sides of the border, many of these would-be profiteers are now in gaol. Latest case to be reported involved some $100,000 of securities, a somewhat pathetic sum when contrasted with the fabulous amounts the uninformed sometimes associated with war profits.



Taxes and Profits for 21 Companies in the 'Over a Million' Class

	Taxes		Net Profits	
	1940	1939	1940	1939
International Nickel	21,130,703	11,322,121	35,544,772	36,847,466
Aluminium Ltd.	20,563,633	3,659,751	12,462,231	15,799,927
Imperial Oil	7,962,992	4,157,565	17,638,717	19,250,071
Montreal Lt., H. & P.	5,925,738	3,824,186	7,947,034	9,003,073
Consolidated M. & S.	4,200,000	2,280,000	9,062,227	9,339,586
Can. Industries Ltd.	3,563,012	1,421,300	5,396,163	6,232,143
Bell Telephone	3,483,000	1,168,200	6,690,542	6,569,448
American Cyanamid	3,184,767	1,110,622	6,629,729	5,524,941
Noranda	3,007,903	1,855,040	10,094,421	11,161,260
Steel Co. of Canada	3,005,000	1,899,569	4,264,384	4,686,680
Can. General Electric	3,004,905	412,259	6,136,378	3,253,079
Hollinger	2,302,200	1,054,947	5,795,224	5,687,073
Hudson Bay M. & S.	2,000,000	930,000	5,948,855	5,239,915
Ford of Canada	1,935,965	532,884	2,584,312	3,012,571
Howard Smith	1,794,693	300,368	1,134,921	1,447,117
B. A. Oil	1,735,738	832,890	3,084,993	3,438,540
Dome	1,562,663	904,012	4,006,738	3,842,406
Can. Westinghouse	1,558,000	163,032	1,203,383	829,175
Gatineau Power	1,195,175	423,336	2,161,233	2,483,335
Canada Wire & Cable	1,089,000	187,000	743,186	690,806
Price Brothers	1,000,000	58,000	1,532,938	387,453

How Various Groups Of Firms Fared

Industrial Group	Per Cent Change 1940-1939 Taxes	Net Profit
Metal	+341	— 1
Extractive	+ 84	— 4
Utilities	+ 94	— 8
Pulp & Paper	+505	+85
Consumer	+ 83	—13
Textiles	+203	—22
Gold	+102	— 3
Miscel.	+132	— 3

Canadian Gives Intimate Picture of Shopping in Wartime London

By WALLACE M. REYBURN

Mr. Reyburn, formerly Associate Editor of Chatelaine, is now resident in London.

LONDON.—In the electric appliance department of Sutton's department store—probably the biggest in London—there is a grand total of one refrigerator for sale. It's a Westinghouse, and it isn't even a new one. It is reconditioned, and selling at the same price as a new one—34 gns.

If you want to buy this refrigerator for your home you're out of luck. You must have a Government order to buy major electrical appliances such as refrigerators, mixing machines, washing machines. And they may be bought only for canteens or war work, not for domestic purposes.

The electric department here is fortunate. Besides their one refrigerator, they have a dozen Hoover cleaners, five irons, a batch of lamps and a few other things. But the gramophone section hasn't a single machine on view!

One of the first things that struck me on entering Sutton's was the scanty supply of customers. The place was about as well patronized as an exhibition of early Grecian pottery at Pumpkin Corners.

After raids people aren't afraid to come downtown. It's just that women lose sleep at night and are too tired for shopping. When nights are raidless, business in the department stores picks up again.

The other reason is that thousands of customers have been evacuated out of London. They now do their shopping in small town stores, or by mail order to a big department store. The mail order trade has sky-rocketed even despite the fact that the paper shortage has necessitated Sutton's discontinuing its "letter order" catalogue, as they call it.

Like the customers, the merchandise is also noticeably scantier. No department of Sutton's has been actually discontinued owing to the war, but many of the departments (gramophones, cameras, typewriters, confectionery, radios and so on) are hard put to it make anything like a showing of products. As the manager told me, a number of departments will soon be merely "keeping contact with the past." They will maintain staffs only to service typewriters, vacuum cleaners, gramophones, develop and print camera film, etc.

Retailers are all in the same boat, whether it's the big man or the little man.

There are three main headaches: the quota, the purchase tax, and uncertainty of supply.

The Quota: The manufacturers are allowed to furnish the retailer with only a percentage of what they formerly sold him. This quota is set by the Government at intervals of about six months. For instance, in the first six months of this year certain departments of Sutton's are allowed to have only a quarter of the merchandise they bought from the manufacturers, or wholesalers in the latter six-month period of last year. And that doesn't amount to very much, when you bear in mind that their quota last year was a third. It means that now they can only obtain a quarter of a third what they used to get before the war. In June they will be on a new quota, which will be a percentage of a quarter of a third of pre-war supplies.

The Purchase Tax: There are few goods that do not bear the Government purchase tax. It varies from a sixth to a third of the cost price.

The purchase tax is paid by the supplier, who collects it for the Government from the retailer. This means that the retailer's margin of profit is reduced. The manufacturer's price on a certain gramophone record is 2/-. Because of breakages in the store, Sutton's mark-up on records is 50%, so that they used to sell this record for 3/-. But now the tax is 8d, which means that Sutton's pay the supplier 2/8 for the record and sell it to the public for 3/8. Therefore, their margin of profit on that particular product is now 37½%, as against 50% before the war.

Uncertainty of Supply: Apart from the limitation of supply by the quota system, the war has naturally cut off supplies from countries that are now enemies. Retailers can't import from other parts of the Empire, unless it is an essential, many factories have gone over to war production. Other factories are concentrating on production for overseas markets.

Take a stroll through Sutton's. The toy department has been walloped from every side.

For a start, the purchase tax is a third on toys. Their quota is 25% of last year's supply—if they can get 25%. A group of toy warehouses were badly hit during the air-blitz on London last September and large supplies lost. There is no English doll that will take the place of German dolls, so for a time Sutton's turned to Canadian and American dolls. But most of them are out now too, because the space on ships coming from North America is needed for more essential supplies.

With supplies as uncertain as England's climate, most department heads have adopted "Grab what we can" as their policy. I asked the lady manager of the millinery department what the fashion trend is in wartime London. "There is no fashion anymore," she smiled. "There are no more hats from Paris, no more American styles, English manufacturers are concentrating largely on export trade. We just grab what hats we can and are glad to get them. The retail price of millinery is up about 50%.

The gramophone section of Sutton's is now devoting itself entirely to the sale of records. Of these there is no shortage The manager was at a loss to explain this, but he did say that customers showed no inclination to frown on Beethoven, Wagner and other German composers.

The razor department hasn't seen a Gillette, Valet or Rolls since last December. These firms are manufacturing exclusively for overseas. The only razor procurable in Sutton's is the Ever Ready. They're lucky enough to have quite a few razor blades on hand. Buying blades in London involves a hunt from store to store and the purchaser is allowed but one packet at a time.

I noticed a wide variety of hones in the razor department. Shavers are following the Scotsman's solution to the problem of what to do with old razor blades—use them again.

Since Dec. 1 of last year, women have had to rely on substitutes for real silk stockings. Nylon is not yet being used for stockings, although it is used extensively for tooth brushes. Many manufacturers have silk on hand but they are barred from making it up into stockings. However, they may still turn out silk piece goods. An interesting sidelight on this is that on a coat lined with artificial silk the customer pays a sixth purchase tax; on a coat lined with real silk, a third tax.

Sutton's used to be able to counteract small profits on inexpensive lines with the luxury trade. But some of the "luxuries" are zooming up to such an extent that even the higher-incomers are thinking twice before making purchases.

It's no use going into Sutton's to buy a spring mattress. They went off the market in March, although there are plenty of soft mattresses to be had. There isn't a single toaster or electric kettle in the store. On the counter in the typewriter section there are three reconditioned machines . . . their entire stock.

I noticed on several price tags the words "Replacement Price." For instance, Horrockes' Egyptian cotton single sheets are labelled: 29/6—Replacement Price, 39/6. Which means that when Sutton's are through their existing stocks, the next consignment of sheets are going to be just that much more expensive.

The confectionery counter (it is now merely a counter, not an entire department) is trying to make a brave show. Many empty glass jars are filled with colored paper. The day I was in they had on display two trays of fudge, a quantity of "boiled sweets," three small cartons of chewing gum and some chocolates at $1 a pound.

The biggest price-jumps I saw in the whole store were in the leather-goods department. Some suitcases and trunks were three times pre-war price.

Women's leather bags are up 75% in price, and men's shoes 50 to 60%. Canadian rubber boots, regarded by Sutton's as the best obtainable, come under the import restrictions. These boots, though slightly higher in price than the English, are preferred by customers mainly because of the vastly superior finish.

Books are doing a big turnover in sixpenny editions. Thousands of these books are sent to British prisoners in Germany, because seven "sixpennies" give the Britisher a much greater variety of reading matter than one "three-and-sixpenny." Despite the rationing, cookery books are big sellers, explained by the fact that securing domestic help is a major problem in London today, and many women now for the first time in their lives have to find out what this cooking is about.

"Suttons" is the pseudonym Mr. Reyburn uses in referring to a very well-known department store.

ZELLER'S LIMITED

and Subsidiary Companies CONSOLIDATED BALANCE SHEET as at 31st January, 1941

ASSETS			
Current:			
Cash		$ 619,898.59	
Dominion of Canada 2nd War Loan Bonds (Par Value—$150,000.00)—at Cost		148,143.75	
Inventories—(Quantities determined by actual count, weight or measurement under supervision of the management, priced at the lower of cost or market and certified to by officers of the Company)		579,200.72	
Sundry Accounts Receivable and Deposits		21,822.42	
Prepaid Expenses and Supplies		38,497.19	
Life Insurance—Cash Surrender Value		15,500.00	$1,423,062.67
Land and Buildings—at Cost	$ 721,847.63		
Less—Reserve for Depreciation of Buildings	27,919.26	$ 693,928.37	
Furniture, Fixtures, Equipment, and Improvements to Leasehold Premises—as valued by the Directors as at 1st March 1932—with net additions to date at cost	$1,889,471.27		
Less—Reserve for Depreciation	825,140.97	1,064,330.30	1,758,253.67
Approved on behalf of the Board: WALTER P. ZELLER, Director. T. E. McDERMOTT, Director.			
			$3,181,321.34

LIABILITIES			
Current:			
Accounts Payable, Accrued Commissions and Miscellaneous Expenses	$ 274,498.24		
Miscellaneous Accrued Taxes	9,886.46		
Provision for Dominion and Provincial Taxes		210,000.00	
Debenture Stock and Mortgage Instalments (Repayable within twelve months)		47,900.00	$ 542,284.70
Mortgages Payable		$ 349,659.42	
Less—Instalments repayable within twelve months shown above		17,900.00	331,759.42
General Reserve			30,000.00
Debenture Stock—			
Authorized and Issued—Six Per Cent Cumulative Redeemable Sinking Fund Debenture Stock		$ 250,000.00	
Less—Redeemed	$ 128,000.00		
Redeemable during 1941—shown above	30,000.00	158,000.00	92,000.00
Capital and Surplus—			
Authorized—40,000 Six Per Cent Redeemable Preferred Shares of a Par Value of $25.00 each		$1,000,000.00	
150,000 Common Shares without Nominal or Par Value.			
Issued and Fully Paid—			
30,000 Preferred Shares		$ 750,000.00	
125,000 Common Shares		625,000.00	
		$1,375,000.00	
Distributable Surplus	$ 33,250.00		
Consolidated Earned Surplus	777,027.22	810,277.22	2,185,277.22
			$3,181,321.34

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of Zeller's Limited and its Subsidiary Companies as at 31st January, 1941, and we have obtained all the information and explanations which we have required.

We report that, subject to the final determination of the Companies' liability for Excess Profits Taxes, in our opinion, the above Consolidated Balance Sheet as at 31st January, 1941 and relative Consolidated Statements of Profit and Loss and Earned Surplus are properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

(Signed) McDONALD, CURRIE & CO.,
Montreal, 13th March, 1941. Chartered Accountants.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the Year Ended 31st January, 1941

Sales		$7,806,103.91
Deduct—		
Cost of Goods Sold, Operating, Selling and Administrative Expenses, exclusive of items shown hereunder	$7,076,946.90	
Salaries of Executive Officers	43,500.00	
Legal Fees	1,635.40	
Directors' Fees	747.79	7,122,830.09
		$ 683,273.82
Deduct—		
Interest on Mortgages	$ 18,446.33	
Interest on Debentures	7,628.22	
Depreciation—Buildings, Furniture, Fixtures and Equipment, and Improvements to Leasehold Premises	156,801.43	182,875.98
		$ 500,397.84
Deduct—		
Provision for Dominion and Provincial Taxes		210,000.00
Consolidated Net Profit for the year—transferred to Consolidated Earned Surplus		$ 290,397.84

CONSOLIDATED STATEMENT OF EARNED SURPLUS

Balance at Credit—31st January, 1940		$ 524,220.37
Add—		
Consolidated Net Profit for the Year	$ 290,397.84	
Preferred Stock Purchase Reserve transferred	22,117.48	312,515.32
		$ 836,735.69
Deduct—		
Dividends on Preferred Shares	$ 45,000.00	
Additional Income Taxes for prior years	6,858.22	
Transferred to General Reserve	7,850.25	59,708.47
Balance at Credit—31st January, 1941		$ 777,027.22

ANNUAL REPORT TO THE SHAREHOLDERS:

The year herein under review having ended on the 31st January, 1941, covers the first full twelve-month fiscal period during which the operations of Zeller's Limited and its wholly-owned subsidiary companies have been conducted under war conditions. For the purposes of this Report and the following Balance Sheet and Income Account, the results of the parent company and its subsidiaries have been consolidated.

PROGRESS:

The following table graphically indicates the Company's progress.

Year Ended Jan. 31st	Stores Operating End of Year	Net Sales	Profits before Taxes	Dominion and Provincial Taxes	Net Profits after Taxes
1933	13	$2,292,938	$427,991*	$ 1,397	$ 29,388*
1934	14	2,427,072	389*	1,793	2,182*
1935	15	3,321,423	18,342	5,314	13,028
1936	18	4,157,461	100,343	19,620	80,723
1937	20	4,462,338	178,081	31,918	146,163
1938	22	5,063,910	269,759	45,532	224,227
1939	24	5,017,028	216,322	38,596	177,726
1940	27	6,180,192	324,118	70,829	253,289
1941	27	7,806,104	503,785	213,387	290,398

*Deficit.

It will be observed that, in the year just concluded, no new stores have been opened. However, sales and earnings for such period take into account the full year's operations of three stores which were completed during the preceding fiscal year at Moncton, Halifax and Edmonton respectively.

SALES:

For the year under review Sales increased 27.12% or $1,625,911, to a total of $7,806,104. Excluding the results of the three stores above mentioned not in operation throughout the entire preceding year, the percentage of increase in Sales was 18.14%.

PROFITS:

At $290,398, Net Profits, after provision for Debenture Interest, Taxes and Depreciation, exceed the corresponding figure for the previous year by $37,109 or 14.65%. The Net Profits, after the requirements of the annual Preferred Dividend have been met, are equivalent to earnings in excess of $1.96 per share on the 125,000 outstanding shares of the Company's Common Stock.

TAXES:

To meet Federal Income, Excess Profits and Provincial Profits Taxes, $210,000 has been allocated as compared with $60,150 for the previous year. In other words, the provision for direct taxation has had to be increased approximately three and one half times. A large part of this increase represents the levy to which the Company is liable under the Excess Profits Tax Act. Pending a clarification of certain provisions in the Act, it will be impossible to establish exactly the amount of the Company's Excess Profits Tax, but the provision set aside for this purpose is estimated by the Management to be sufficient.

Whereas, the principle of heavily taxing all Excess Profits occasioned by the war or the economic acceleration consequent upon it is, of course, unquestioned, it must be pointed out that the method of determining what is Excess Profit as provided by the present Act, works a great hardship when applied to the affairs of this particular Company. The period from 1936 to 1939 inclusive, or the Company's fiscal years ending therein, constitute for it an organizational stage during which it was undergoing unusually rapid development. As a consequence, its average yearly profit for such period is low compared with what the Company may reasonably be expected to earn now and in the future, and yet, as the Act provides, all profits earned beyond the amount of such average are to be deemed Excess Profits.

It cannot be amiss to express the hope that, should the Act be amended the inequitable application will be remedied. However, any concern about the basis of a tax, which, as applied to this Company results in what would appear to be an unintentionally severe levy, in no way derogates from the Company's desire to discharge to the full its due part of all national obligations placed upon Canadian business in the present emergency.

LIQUID POSITION:

As the Balance Sheet reveals, Cash amounts to $619,898 and is, in itself, more than sufficient to cover all Current Liabilities even after due provision is made for the Company's increased tax burden and after a further redemption of $30,000 par value of the Company's outstanding Debenture Stock.

It may be explained that this sum of $30,000 comprises a redemption of $17,500 par value of the Debenture Stock in addition to the 5% Sinking Fund payment of $12,500, and that after May 31st, 1941, when such redemptions shall have been completed, there will be left outstanding $92,000 par value of the Company's Debenture Stock out of the $250,000 thereof originally issued.

EMPLOYEES:

A new Employee Remuneration Plan under consideration for some considerable time was introduced during the fiscal year just ended. The purpose of the Plan is to grade each Sales Person individually on the basis of her efficiency and to have the remuneration of each such employee accord with these findings. This Plan was designed in furtherance of your Company's policy to attract and encourage capable and ambitious employees. As usual, both vacations with pay and Christmas bonuses were granted. This year, bonuses were determined in part by the length of service of the individual employee concerned and in part by the amount of the Company's profits and, through this means, in excess of $20,000 was distributed at Christmas to employees exclusive of Store Managers and Executives.

CONCLUSION:

In the year to come Sales are expected to continue to increase but uncertainty as to rising taxes and the growing difficulty and expense of securing merchandise make it impossible to forecast the net result. The advantageous locations at which the Company operates stores, the type of popularly-priced merchandise offered and a continuation of its policy to supply the public with desired merchandise in the most efficient manner and at reasonable cost, together afford the Company a favorable opportunity to maintain its position in the retail field in Canada.

It is considered that opportunities for sound growth continue, although expansion, if any, under present conditions will be conducted most conservatively.

Finally, the Management wishes to record its sincere appreciation for the individual and concerted loyalty which all the members of the staff have never failed to manifest and to which the Company's progress is in such large measure to be attributed.

On behalf of the Board,
WALTER P. ZELLER,
Chairman.

Pulp and Paper Industry

Newsprint Operations Top Estimates

First Quarter Production and Shipments at High Figure

From Our Own Correspondent

MONTREAL.—Further expansion in production and shipments was recorded by the newsprint mills last month. In general the North American mills produced more than was shipped, indicating a moderate building up of stocks in anticipation of the opening of navigation this month.

Canadian production last month totalled 275,769 tons, according to the Newsprint Association of Canada. This contrasts with 251,279 tons in the same month last year and is the highest output for any similar month since March, 1937.

Shipments did not keep pace, amounting to 265,724. However this figure compared with 235,304 tons in March, 1940, and was only 24,000 tons below the record established five years ago.

Mills Do Well

Newfoundland's two mills turned out 29,423 tons of newsprint last month and shipped 21,481 tons. This contrasts with an output of 19,527 tons and shipments of 25,695 tons in the same month last year.

A sharp increase was recorded in the production of American mills, from 79,720 tons in February to 87,376 tons in March. For March last year output totalled 85,143 tons. Current production is at the highest level reported by the American industry in many years.

Shipments from American mills last month aggregated 85,503 tons, compared with 86,930 tons in March, 1940.

On an overall basis the North American mills manufactured 392,568 tons last month as against 355,949 tons for March a year ago, a net increase of 36,619 tons.

Shipments from the mills during March totalled 372,708 tons, a gain of 24,779 tons over the same month last year.

This made for a net addition to manufacturers stocks of 19,860 tons, bringing supply up to 279,439 tons. This is still well under any corresponding figure for the past four years and compares with 309,456 tons reported at the close of March, 1940.

Canadian mills accounted for 10,045 tons of the increase in stocks last month, bringing their supply up to 186,182 tons. The U. S. mills added 1,873 tons to their stocks which now stand at 18,790, while the Newfoundland mills increased stocks during the month by 7,942 tons. The amount of newsprint paper with Newfoundland mills is not available, as returns for February were incomplete.

Good First Quarter

On the basis of returns for the first quarter of the year, Canadian newsprint mills are doing better than had been anticipated at the beginning of 1941.

To the end of March they produced 782,674 tons of paper. This compares with 734,134 tons in the like three months of 1940.

Part of this increase is accounted for by the rise in stocks. On the other hand shipments have been greater than expected, especially to the American market.

To the end of last month Canadian shipments totalled 748,863 tons, as against 690,899 tons in the like period of 1940.

A breakdown of Canadian shipments shows no material change in the domestic demand, the movement totalling 45,023 tons, as against 44,182 tons in the first quarter of last year.

Demand from the United States resulted in shipments of 590,489 tons, compared with 541,180 tons to the end of March, 1940. Earlier it had been estimated U. S. demand might increase 5% this year. Shipments are actually heavier, indicating the possibility of a slight accumulation of stocks by publishers.

Overseas shipments from Canadian mills so far this year have amounted to 113,351 tons, as against 105,537 tons in the first quarter of 1940. This is more or less along expected lines.

Other Areas Active

Newfoundland's mills produced 89,312 tons in the first quarter compared with 80,516 tons in the like period last year. Shipments, on the other hand, aggregated 74,769 tons, as against 76,004 tons last year.

Examination of the shipping returns of the Newfoundland mills shows a sharp increase in deliveries to the American market—49,871 tons as against 31,895 tons a year ago.

Shipments to overseas markets, England and elsewhere, were off just as sharply, dropping from 43,934 tons to 24,645 tons this year.

American mills turned out 256,200 tons to the end of last March, compared with 250,724 tons in the first quarter of 1940. Shipments showed up well, totalling 250,885 tons this year, as against 247,861 tons a year ago.

Company Reports

Anglin-Norcross

Financial statement of Anglin-Norcross Corp. and subsidiary company for the 10 months period ended Dec. 31, 1940, reflects increased building construction for war requirements. In this 10-month period the organization did a much larger volume of work than for many previous years, according to Henry J. Gross, president.

Net profit increased to $48,401 from $4,973. This was equal to earnings on the 5% non-cumulative preferred stock of 86 cents in the 1940 period and 9 cents for 1938. There were 54 preferred shares redeemed during the year, reducing outstanding preferred stock to 56,322 shares. The company has changed its year to the calendar period.

Cons. Income and Surplus Account	10 months ended Dec. 31 1940 $	Year ended Feb. 29 1940 $
Gross earnings*	98,377	13,862
Add: Invest. inc.	22,169	29,319
Total income	120,546	43,181
Less: Exec. remun.	21,000	24,200
Directors' fees	2,600	3,100
Legal fees	61	20
Depreciation	11,380	8,038
Inc. & profits tax	37,104	2,850
Net profit	48,401	4,973
Add: Prev. surplus	165,941	160,968
Rosslin Co. surp.	12,597	......
Less: Inc. tax adj.	4,014	......
Trans. to cap. surp.	540	......
Surplus forward	222,385	165,941

*After providing for all operating expenses.

Working Capital		
Current assets	2,032,356	11,486,486
Current liabilities	1,175,309	620,574
Working capital	857,047	865,912

Cons. Diversified

Consolidated Diversified Standard Securities Ltd. reports income from dividends and interest in 1940 of $50,530, compared with $45,599 in 1939. After including premium on U. S. funds and profit on sale of investments, total income amounted to $73,201, compared with $49,448 in 1939.

Net profit totalled $42,961 in the past year, against $24,703 in the preceding year. This was equal to $1.40 a share on 30,567 shares of $2.50 non-cumulative preferred, excluding 5,333 shares held by the company's subsidiary. This compares with 81 cents a share in 1939.

Investments in stocks and bonds of listed corporations had a book value of $835,108 at Dec. 31, 1940, compared with $776,368 at the end of 1939. These had a market value of $607,832 and $663,194, respectively.

At the end of 1940 investment portfolio consisted of 2.93% in bonds; 13.95% in preferred stock; 80% in common stock and 3.12% in miscellaneous investments. This compares with 5.09% in bonds; 7.99% in preferred stock; 83.55% in common stock, and 3.37% in miscellaneous securities at the end of 1939.

There was $18,000 transferred from surplus account to investment reserve during the year.

Cons. Income and Surplus Account Years Ended Dec. 31	1940 $	1939 $
Dividends & interest	50,530	45,599
Prem. U.S. funds	4,289	2,188
Invest. sale profit	18,382	1,661
Total income	73,201	49,448
Less: Exec. salaries	12,540	12,340
Directors' fees	200	150
General expense	4,238	4,295
Office salaries	2,659	2,666
Legal fees	50	75
Taxes, not inc.	765	889
U. S. taxes	2,563	2,257
Inc. & profits tax	7,225	1,550
History expenses	......	523
Net profit	42,961	24,703
Less: Pref. divds.	22,926	22,925
Surplus for year	20,035	1,778
Add: Prev. surplus	64,964	60,422
Tax adjust.	......	2,764
Less: Trans. inv. res.	18,000	......
Surplus forward	66,999	64,964

Montreal Tramways

Montreal Tramways Co. financial statement for 1940 reflects improvement of over 8% in the number of passengers carried as compared with the previous year. Gross income was $14,363,415 compared with $13,349,511 the year before. After senior charges, including an increase of $200,000 in reserve for depreciation, net profits of $360,603 were equal to $5.15 a share on the capital stock. This contrasts with loss of $4,297 or 6 cents a share the year previous.

Feature of the balance sheet statement is gain in net working capital position, current assets exceeding current liabilities by $3,202,697, as against $1,325,357 at the end of 1939. This reflects an advance in cash on hand from $913,237 to $2,378,559. Amount due the company under contract with the city declined during the year from $801,621 to $762,283. Other changes among assets were relatively unimportant. The principal change of interest among liabilities is a reduction in bonded debt from $47.8 millions to $47.6 millions.

Comparative figures on the profit and loss account follow:

Income and Surplus Account Years Ended Dec. 31	1940 $	1939 $
Gross revenue	14,363,415	13,349,511
Less: Oper. exp. & taxes	8,314,042	8,115,466
Main. & renew.	2,367,848	2,254,134
Net revenue	3,681,525	2,979,911
Less: Bond int.	2,620,922	2,630,922
Depreciation	700,000	500,000
Net profit	360,603	*4,297
Less: Dividends	420,000	472,500
Deficit for year	*59,397	*476,797
Previous surplus	899,346	1,532,397
Add: Sec. profit	47,548	......
Prof. bonds red.	42,837	......
Secs. adjust.	......	320,000
Trans. gas acct.	......	181,274
Less: Bond discount	28,350	657,528
Surplus forward	901,984	899,346

*Deficit.

Working Capital	$	$
Current assets	4,290,474	2,278,345
Current liabilities	1,087,777	942,988
Working capital	3,202,697	1,325,357

Enamel & Heating

Improvement in earnings is reported by Enamel & Heating Products Ltd. of Sackville, N.B., for the year ended Dec. 31, 1940. Gross income of $79,912, compared with $44,789 the year before. After increasing reserve for depreciation by nearly $12,000 to $54,398 and other charges, including taxes, there was a surplus of $3,665, as against $308 the year before. The surplus is charged against the deficit account which now stands at $318,043.

The balance sheet as at the end of last year shows improvement of about $40,000 in working capital, the excess of current liabilities over current assets being reduced to $35,105. Bank loans showed a moderate increase during the year from $289,000 to $302,168. This was more than offset by accounts receivable which increased from $90,000 to $132,491. There was a small expenditure on current account during the year, while investment and advances to a subsidiary company increased from $385 to $19,347.

Comparative figures in the profit and loss account follow:

Income and Surplus Account Years Ended Dec. 31	1940 $	1939 $
Gross income	79,912	44,789
Less: Depreciation	54,398	42,545
Sub. loss	......	1,600
Legal charges	130	......
Exec. salaries	20,379	......
Directors' fees	140	......
Income tax	1,200	336
Surplus	3,665	308
Previous deficit	316,990	317,589
Add: Adjustments	4,718	290
Deficit forward	318,043	316,990

Working Capital	$	$
Current assets	400,942	360,054
Current liabilities	436,047	435,591
Working capital*	35,105	75,537

*Excess of current liabilities.

Imperial Oil

New profit of Imperial Oil Ltd. from refining and distributing operations in 1940 was substantially above 1939, being 25.70 cents a share compared with 19.25. This is largest earnings from Canada since 1931 for this company.

Principally due to discontinuance last year of payment by International Petroleum Co. of a special dividend which had been paid out of accumulated surplus, net income from other sources is lower. From subsidiary companies and miscellaneous sources, the company received the equivalent of 39.71 cents a share in 1940, compared with 52.13 cents a share in 1939. The auditors state income from subsidiary companies was $1.3 million more than Imperial Oil's proportion of earnings for last year of these companies.

Total net profits for 1940 are equivalent to 65.41 cents a share against 71.38 cents a share in 1939. Although last year's net profits are the lowest since 1933, this was the first year since 1934 that a surplus was carried forward after payment of dividends. The company paid a total of 50 cents in two regular semi-annual dividends and one extra of 12½ cents a share, making 62½ cents a share last year compared with $1 for the previous year.

Balance sheet reflects the larger volume of business handled. Working capital is up about $1.1 million. Chief change in current assets is in inventories which are $6.5 millions above those at the end of 1939. Higher costs and larger stocks accounted for this change. The company set aside a reserve of $1.5 million against a possible decline in inventory valuations, making a total of $2.7 appropriated for this purpose in the past two years.

Income and Surplus Account Years Ended Dec. 31	1940 $	1939 $
Can. refining & marketing inc.*	15,627,104	11,143,611
Less: Depreciation	3,940,991	3,875,368
Can. inc. taxes	4,756,288	2,076,201
Net from Can. opers.	6,929,825	5,192,042
Other income:		
Subsid. divds.	13,774,075	16,782,631
Less: Can. inc. tax	3,022,845	2,109,632
Int. earned (net)	†179,472	38,302
Less: Can. inc. tax	183,859	■28,268
Profit on securities	320,993	†681,540
Other net income	10,708,892	14,058,029
Total net profit	17,638,717	19,250,071
Less: Dividends	16,853,174	26,965,078
Surplus for year	785,543	†7,715,007
Add: Prev. surplus	34,672,153	45,938,548
Less: Adjustments	......	3,551,388
Earned surplus fwd.	35,457,696	34,672,153

†Loss or deficit. ■Credit item.

*After all sell., admin. & gen. exp., includ.:		
Inventory res.	1,467,989	1,254,110
Legal fees‡ & exec. salaries	277,620	231,977
‡Not incl. solic. fees chgd. to cap. assets	2,591	2,228
Earned per Share:		
From Can. opers.	$0.25	$0.19
From other inc.	0.40	0.52
Total earnings	$0.65	$0.71
Paid	0.50+0.12½	0.50+0.50
Shares O/s., n.p.v.	26,965,078	26,965,078

Working Capital	$	$
Current assets	64,381,180	57,334,098
Current liabilities	19,319,255	13,374,802
Working capital	45,061,925	43,959,296

Balance Sheet Changes	$	$
Cash	6,063,481	5,340,081
Bonds at mkt.	9,665,077	10,278,964
Receivables (trade)	15,091,976	14,148,746
Inventories:		
Crude oil, etc.	30,373,764	24,848,855
Materials & supp.	3,016,652	2,548,377
Def. recs., mtges., loans	3,901,608	3,401,656
Capital assets	115,029,338	112,626,245
Less: Depreciation	73,785,888	71,500,443
Accts. payable	6,059,752	5,208,197
Due subsid. cos.	4,365,952	3,006,063

Capital Wire Cloth

Capital Wire Cloth Co., Ottawa, reports net profits for 1940 equivalent to $3.24 a share on its preferred compared with $5.28 a share for 1939. On the common a balance of 69 cents a share was available last year compared with $1.51 a share. Full $1.50 a share dividends were paid on the preferred and 75 cents a share on the common last year.

T. L. Dunbar, president, states volume of business last year increased over 1939. Gradual increase in materials and labor, particularly in the latter part of the year, as well as higher taxation accounted for the lower earnings.

Income and Surplus Account Years Ended Dec. 31	1940 $	1939 $
Operating profit	59,121	70,589
Add: Other income	1,031	1,271
Net earnings	60,152	71,860
Less: Depreciation	10,379	8,208
Taxes	17,420	10,821
Net profit	32,353	52,831
Less: Pref. divds.	15,000	15,000
Common divds.	18,750	......
Surplus for year	*1,397	37,831
Add: Prev. surplus	179,130	141,417
Less: Adjustments	2,288	118
Surplus forward	175,445	179,130

*Deficit.

Earned per Share:		
Preferred	$3.24	$5.28
Paid	1.50	1.50
Common	0.69	1.51
Paid	0.75	nil
Shares O/s.:		
Preferred, n.p.v.	10,000	10,000
Common, n.p.v.	25,000	25,000

Working Capital	$	$
Current assets	193,251	194,429
Current liabilities	24,698	19,690
Working capital	168,553	174,739

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Newsprint Mills Step Up Operations

From Our Own Correspondent

MONTREAL.—Canadian newsprint mills had an operating ratio in March of 75.5% of rated capacity, according to the Newsprint Association of Canada. This contrasts with a ratio of 72.9% in February and with 68.6% in March a year ago.

The ratio of shipments to capacity last month was 72.8%, as against 71.1% in the previous month and 64.2% in March, 1940.

Brazil Looks to Canada For Newsprint Supply

From Our Own Correspondent

MONTREAL.—Over half of Brazil's newsprint imports in 1940 came from Canada. Ordinarily Brazil depends upon Scandinavian countries for its supplies, but imports from that area have been reduced more than 70% since outbreak of the war.

Imports of newsprint last year totalled 42,816 metric tons, against 45,537 tons in 1939. Of last year's imports 23,990 tons came from Canada, 7,125 from United States and the balance from Europe. In 1939 Canada marketed only 2,838 metric tons in the Brazilian market.

Quebec Forestry Operations Grow

Pulp and Paper and Lumber Mills Report Active Season Last Year

From Our Own Correspondent

Quebec.—Newsprint mills in the Province of Quebec produced a total of 1,827,229 tons of newsprint during the 12 months ending June 30, 1940, according to the Provincial Department of Lands and Forests.

There were 44 mills of all kinds in operation, of which 10 were pulp mills, 26 pulp and paper mills, and 8 paper mills. Between them they used 2,723,699 cords of wood, of which the greater part was spruce and fir.

The mills provided employment for 15,442 persons, and had an annual payroll of $21,318,707. In addition they used up some $11 millions worth of electricity, representing 1,037,515 h.p., or one quarter of the entire power output of hydro-electric plants in the Province.

There were 1,084 sawmills operating in the province, with an output of 663,293,000 feet board measure, providing work for 15,497 persons, and a payroll of $3,468,303.

Shingle production was 401 millions as well as 27 million slats, and 515,410 railway ties.

A large portion of these products was shipped to Britain.

Firm Power Consumption Index at Record Level

From Our Own Correspondent

MONTREAL. — Consumption of firm power in Canada continued to set a record pace in February, according to returns of the Dominion Bureau of Statistics.

During the past month central electric stations produced 2,407 million kw.h. This compares with 2,367 million kw.h. in February a year ago when there were 29 days in the month and with 2,635 million kw.h. in Jan., 1941.

Consumption of firm power in Canada in February amounted to 2,009 million kw.h. This represents an increase from a daily average of 70.6 million kw.h. in January to 71.7 million kw.h., while the index number rose from 141.7 to 143.8, the highest on record.

Exports to the United States during February amounted to 111 million kw.h. of firm power, 65.6 million kw.h. of secondary power; or a total of 176.6 million kw.h., as against 139.9 million kw.h. in the same month last year.

Production of secondary power included 152 million kwh. for boilers and 70 million kw.h. for other uses in Canada, or a total of 221.7 million kw.h. for use in Canada, plus 65.6 million kw.h. for export to the United States.

Returns by Provinces

Production figures for the central stations during February and for the first two months in 1941 and 1940, follow:

Output of Central Electric Stations (Millions of Kilowatt Hours)

	February 1941	February 1940	Jan.-Feb. 1941	Jan.-Feb. 1940
Maritimes	69.6	57.5	156.1	130.6
Que.	1,245.0	1,271.5	2,595.9	2,590.9
Ont.	748.5	678.4	1,562.5	1,426.8
Prairies	172.7	199.4	372.7	412.6
B. C.	171.2	160.1	353.5	332.3
Total	2,407.0	2,367.0	5,041.7	4,893.2

U. S. Cellulose Acetate Output at High Level

From Our Own Correspondent

MONTREAL.—Production of cellulose acetate in United States during February, in the form of sheets, rods and tubes, amounted to 441,482 lb., bringing the total for the year to date to 1,058,007 lb.

During February, 1940, output totalled 636,834 lb. and for the first two months of that year 1,494,111 lb. The U. S. Dept. of Commerce points out last year's figures included production of cellulose acetate safety glass sheets, figures for which were dropped in February this year.

U. S. Paperboard Mills Step Up Operating Ratio

From Our Own Correspondent

MONTREAL.—U. S. paperboard mills boosted the operating ratio in February to 81.5% and production to 426,419 tons. The previous month the operating capacity was 76.1% and production 446,997 tons. The lower output was due to fewer working days.

For the first two months of the current year the mills have produced 873,398 tons for an operating ratio of 78.7%. This contrasts with a production in the like two months of 1940 of 830,865 tons for an operating ratio of 71.5%.

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IN CANADA

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Census Will Resurvey Business and Marketing

Changes In Merchandising In 10 Years To Be Shown

From Our Own Correspondent

OTTAWA.—The groundwork for authoritative studies of the marketing structure in Canada will be rebuilt in the eighth decennial census that starts on June 2, 1941.

The starting point of most statistical surveys of the business and economic life of Canada, regarded in many quarters as the best in the world, is the compilation of a complete mailing list of firms engaged in distribution of goods and services. This merchandising census, taken along with the general and agricultural census, guides the Dominion Bureau of Statistics in obtaining by direct mail contact later the material for detailed statistical reports.

When hundreds of census enumerators set out on the morning of the first Monday of June they will be armed with forms to take not only the names and particulars of every resident, every farm, but also the names and a few general particulars of every retail, wholesale or service establishment. They will also take an accurate "sample census" of housing, jotting down particulars of every tenth dwelling.

The census does not, however, cover manufacturing plants or professional people or tradesmen. Surveys of these fields are undertaken through separate statistical research not co-ordinated with the decennial census.

Will Reveal Changes

The census of merchandising and service establishments will reveal changes in marketing conditions that have taken place in the past decade and provide the foundation for business studies to be developed in the course of the next 10 years, for guidance of government, or merchants, or manufacturers and of consumers.

New questions addressed to the Canadian public by the federal census takers this year will fall into two groups, housing and horticultural. The enumerator must keep count of the households he visits and at every tenth one he must fill out a special housing form with data that, when tabulated, will show the state of repair of the nation's homes, how often the average Canadian moves, how much rent he pays, and so on.

Two new horticultural schedules will be used, one for town and one for country. They are designed to obtain data on incidental production of farm commodities, such as the chickens kept by a town dweller or the bees kept by a rancher. If a household not living on a farm keeps a cow, poultry, bees, a home garden, fruit trees, grapes or berry bushes, the enumerator is required to ascertain the production and value, whether sold or consumed at home, and record the figures on a separate form.

When he visits a farm the enumerator must ask whether vegetables, seeds, nursery products or small fruits, to the value of $50 or more were produced in 1940, and put down the details in a separate schedule. Wild fruit is not counted.

The old form for institutional farms has been dropped, being unnecessary when the new fruits and vegetables schedules are used.

The Canadian census, which the Government has decided to take despite war conditions, has far outgrown its original concept of enumeration of the population. That was the simple purpose in 1871, 80 years ago when Canada was young. The modern census seeks information in almost every branch of economic life, illuminating with authentic statistics many phases of business and communal activities. The 1941 census will cover the following fields:

1. Population—39 questions
   Blind and deaf mutes—7 questions (additional).
2. Housing—29 questions.
3. Agriculture:
   - General—63 questions.
   - Fruits and Vegetables—64 questions.
   - Abandoned or Idle Farms—25 questions.
   - Animals, Fruits, etc., not on farms—54 questions.
4. Merchandising and Services —9 questions.

The total cost of taking the census will be $1.8 million.

Make Up Mailing Lists

The purpose of the nine-question schedule for merchandising and service establishments is to obtain comprehensive information regarding the distribution of commodities and services to the consumer. The enumerator is required to enter the name of every establishment in his territory and obtain several general facts regarding the business carried on.

Merchandising establishments include both wholesale and retail businesses, such as grocery, hardware, dry goods stores, etc., and service establishments include all businesses performing service for the public, such as barber shops, tailors, dyers and cleaners, theatres, hotels, automobile repairs, etc. The enumerators will be furnished with lists of types of businesses.

Get Special Schedules

Manufacturing establishments are not tabulated in the general census. Special schedules for statistical purposes are mailed to them direct from time to time. But the enumerators are required to obtain names of all wholesale firms, co-operatives, retail stores including establishments such as bakers or milliners that make their goods on their own premises and service establishments. The latter do not include professional people, tradesmen such as carpenters and plumbers, public services or financial houses.

The merchandising and services census requires giving the firm name, name of proprietor, address, head office, number of stores, nature of trading (whether wholesale or retail), kind of business, and total yearly sales.

The new census of housing is designed to obtain complete information on the kinds of homes in which the Canadian people live.

Enumerators will be required to obtain housing information from every tenth dwelling visited in taking the general census. This will provide a mathematical sample on which to work out adequate housing statistics for the entire country.

A yes-or-no answer will be required to the question whether a dwelling is in need of major repairs, and it will be deemed to be so if the householder reports sagging or rotting foundations, leaky roof, cracked chimney, unsafe stairways or outside steps.

The enumerator will also be instructed to ascertain the type of heating system in every tenth dwelling and the principal heating fuel used. He will ask whether there is running water, a hand pump or outside water supply, whether there is a flush toilet and whether it is shared with other households, and whether there is bathtub or shower with running water and whether it is shared with other households. The questions on cooking facilities and lighting deal with the fuel used and whether more than one household uses one stove, whether a dwelling has electric, gas, kerosene or gasoline lighting, and the type of refrigeration if any.

Housekeeping Aids

Each household recorded in the housing census will be asked whether it uses a telephone, an electric vacuum cleaner, an automobile or a radio.

The rental questions require a report on rent paid in May, 1941, and whether this includes furniture, heating or garage. If the householder is owner he will be asked the cost of repairs for the year, the details about water tax and his estimate of the value of the dwelling.

The owner-householder's report on his mortgage or agreement for sale must include the principal, amount outstanding, amount paid or payable on principal and interest, the contract rate of interest, and the amount of taxes levied on the property.

Get Farm Picture

Like the housing and merchandising branches of the census, the census of agriculture is designed to obtain accurate information that will serve to guide the Government, business and other agencies in formulating plans and policies upon a foundation of realistic facts. The purpose of the farm census is to obtain basic information regarding farm acreage, value of farm property, mortgage indebtedness, livestock, statistics of farm production and expenses, incidental production elsewhere than on the farm, and statistics of abandoned or idle farms. A farm for census purposes is an acre of land or more farmed by one person that produced in 1940 agricultural products to the value of $50 or more.

What It Costs

Here is what the Government pays to census enumerators:

General—five cents per name.

Housing—eight cents per dwelling, every tenth dwelling to be enumerated.

Farming—35 cents per farm of five acres or more; 25 cents per farm under five acres; 25 cents per farm in fruits and vegetables schedule; 10 cents per abandoned or idle farm; 5 cents per family in schedule for farm products produced elsewhere than on farm.

Merchandising and Services — 5 cents per establishment.

An additional allowance of five cents per name is allowed for each blind or deaf mute person reported.

"Travelling" Expense

Outside cities, allowances for expenses are higher on the prairies than in eastern Canada, and still higher in British Columbia. In Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario, enumerators in rural territory are allowed $5 per 100 names, in addition to the basic allowance of five cents per name, in lieu of horse or motor hire. In Manitoba, Saskatchewan and Alberta the travelling allowance is $7 per 100 names and, in British Columbia, $10.

In all provinces, enumerators are allowed $3 per day for expenses when called to receive instructions from census commissioners for time actually spent in such instruction, plus travelling and hotel expenses when away from home. If he uses his own car for travelling, prior to the census, to receive instructions, he is entitled to seven cents a mile in all provinces except British Columbia, where he is entitled to nine cents a mile.

Company Reports

B. C. Power

British Columbia Power Corp.'s consolidated financial statement for 1940 shows net profit of $2,061,265, equal to $2.06 a share on the outstanding class A stock. This compares with net profit of $1,075,417, equal to $1.07 a share for the six months ended Dec. 31, 1939. The previous report covered six months only, due to a change in the fiscal year.

The consolidated balance sheet lists net working capital of $1,158,585. This compares with $1,084,147 at the end of 1939. Funded debt is shown at $38,097,624, a decline of $400,000 from the end of 1939.

W. G. Murrin, president, pointed out that gross revenue increased to $16.9 millions for 1940, as against $8 millions for the last half of 1939.

Income and Surplus Account

	Year ended Dec. 31 1940 $	6 Mos. ended Dec. 31 1939 $
Gross oper. revenue	16,911,254	8,043,085
Add: Inv. income	39,916	22,300
Total income	16,951,170	8,065,385
Less: Gen. expense	8,247,220	4,010,629
Exec. sal., etc.	92,395	41,825
Directors' fees	21,000	10,500
Accident prov.	60,000	60,000
Deprec. & renew.	2,305,102	1,143,582
Income taxes	1,932,500	551,247
Net earnings	4,292,952	2,247,002
Less: Interest	1,534,204	759,809
Fin. exp. w/o	75,643	39,057
Exchange	......	62,399
Subs. pfd. div.	621,840	310,920
Net profit	2,061,264	1,075,417
Less: Class A div.	2,000,000	1,000,000
Surplus for year	61,264	75,417
Add: Prev. surplus	1,034,489	1,117,384
Less: Pr. yr. adjust.	......	158,312
Surplus forward	1,095,753	1,034,489

Working Capital

	$	$
Current assets	5,833,987	4,498,874
Current liabilities	4,675,402	3,414,727
Working capital	1,158,585	1,084,147

Super-Service Stations

Super-Service Stations Ltd. and its wholly owned subsidiary, Provincial Oils Ltd., operating in Nova Scotia, reports operating profit in 1940 of $239,913 and net profits of $73,319. Earnings on the common were equal to $36.31 a share. The company paid a dividend of 10% on the par value of $100.

Balance sheet the end of 1940 shows current assets of $399,816 as against current liabilities of $195,333. During the year bonded debt was reduced $10,500 to $640,000. Property account is now carried at a net depreciated value of $972,980. Various loans outstanding total $74,272. Investments are $39,833, and business life insurance has a cash surrender value of $14,447.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Year Ended Dec. 31

	1940
Operating profit	$239,913
Less: Bad debts	17,973
Interest	1,632
Spcl. depreciation	15,661
Add: Other income	5,510
Net revenue	210,157
Less: Bond interest	33,550
Depreciation	67,110
Income taxes	28,444
Prov. taxes	1,883
Insurance	1,851
W/o shares	4,000
Net profit	73,319
Less: Pfd. divd.	16,500
Com. divd.	15,650
Surplus	41,169
Previous surplus	186,807
Surplus forward	227,976

Working Capital

	1940
Current assets	$399,816
Current liabilities	195,333
Working capital	204,483

Regent Knitting

Sharp expansion in both gross and net income is reported by Regent Knitting Mills for the past year. Gross profit in 1941 at $746,958 compares with $420,728 the year before and after all charges, including taxes at $63,349 as against $10,324, higher depreciation and $110,000 reserve for depreciation of inventory values, net profit on the common stock for the year totalled $87,943. This was equivalent to $1.38 a share, as against a net profit of $43,596 or 27 cents a share the year before.

Reflecting improvement in earning power, the balance sheet shows net working capital of $987,212, as against $845,667 at the close of the previous year. Inventories advanced from $747,390 to $1,095,831. Against this there was an increase in bank loan from $145,000 to $335,000. Funded debt was reduced by $25,000 to $450,000.

Comparative figures in the profit and loss account follow:

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross revenue	746,958	420,728
General expenses	269,692	238,905
Oper. profit	477,266	181,823
Less: Loan interest	25,854	12,941
Debt reserve	4,121	12,999
Non-oper. expense	......	545
Amortization	3,385	3,385
Bond interest	17,375	18,125
Depreciation	137,637	79,906
Inventory res.	110,000	......
Income tax	63,349	10,324
Net profit	115,543	43,596
Less: Pfd. divds.	25,600	......
Com. divds.	16,252	......
Surplus	73,691	43,596
Previous deficit	23,067	65,412
Surplus forward	50,622	*21,816

*Deficit.

Working Capital

	$	$
Current assets	1,576,402	1,190,491
Current liabilities	589,180	344,824
Working capital	987,212	845,667

West Kootenay Power

Consolidated financial statement of West Kootenay Power & Light Co., subsidiary of Consolidated Mining and Smelting Co. of Canada, shows gross income in 1940 of $4,168,660, an increase of $153,746 over the previous year. Due chiefly to increases in maintenance charges and income taxes, net profits declined to $20.46 a share from $26.25 the year before. Despite lower earnings, the company paid the same dividend and bonus, amounting to 25%, on the common shares.

Consolidated balance sheet as at Dec. 31 last shows a decline in funded debt in $8,473,000 to $8,243,000. Gross value of property increased from $23.3 millions to over $25.4 millions. Cash jumped from $924,789 to $2,685,587. In addition it invested $310,156 in Dominion of Canada bonds and $28,000 in City of Nelson bonds.

Lorne A. Campbell, president and managing director, states No. 2 plant extension has been completed and was put on the line April 1, 1940. The increased capacity, he adds, cannot be fully determined until it is operated through a full storage period. The usual storage period is from Dec. 1 one year to April 15 the following year.

Comparative figures from the profit and loss statement follow:

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Oper. revenue	4,118,852	3,916,254
Less: Oper. expenses	920,866	734,828
Gen. expenses	240,310	......
Depreciation	728,747	672,333
Add: Other income	49,808	98,660
Net revenue	2,519,046	2,510,093
Less: Bond interest	325,278	334,052
Debt discount	4,058	4,058
Bond premium	21,338	20,363
Other interest	198	234
Income taxes	882,608	610,636
Net profit	1,285,566	1,604,410
Less: Pfd. divd.	35,000	35,000
Com divd.	1,528,000	1,528,000
Surplus	*278,566	31,410
Previous surplus	4,730,554	4,654,265
Less: Addit. inc. tax	......	120
Surplus forward	4,453,121	4,730,555

*Deficit.

Working Capital

	$	$
Current assets	5,392,158	5,562,392
Current liabilities	1,096,893	892,591
Working capital	4,295,265	4,669,801

Famous Players

Famous Players Canadian Corp. reports net profits for 1940 equivalent to $2.32 a share on the common. This compares with $2.09 a share for 1939. Dividends paid for each year totalled $1 a share.

Balance sheet shows cash and call loans totalled $1.6 million and government bonds at $524,196. The cash item is not materially changed from the previous year but bonds are up $240,000. Funded debt outstanding has been reduced from $6.3 millions to $5.5 millions. Mortgages on theatre properties, not due within one year, amount to $296,614 compared with $451,000 a year ago.

The auditors state that the company's share of net earnings of affiliated companies (50% and less owned) exceeded by about $52,000 the dividends received.

Consol. Income and Surplus Account
Years Ended

	Dec. 28 1940 $	Dec. 30 1939 $
Oper. profit	2,624,247	2,145,258
Add: Dividends rec.	142,734	163,616
Interest earned	53,343	51,984
Net income	2,820,324	2,360,858
Less: Exec. remuner.	143,126	133,331
Directors' fees	4,450	4,650
Legal fees	9,705	14,508
Net earnings	2,663,043	2,208,369
Less: Depreciation	591,221	573,138
Amort. leases, etc.	107,751	109,424
Amort. reorg. exp.	55,500	51,000
Bond, mtge. int.	279,895	304,220
Income & E. P. tax	592,500	237,647
Minority interest	37,621	43,217
Net profit	998,554	889,723
Less: Dividends	430,524	422,524
Surplus for year	568,030	467,199
Add: Prev. surplus	3,846,486	3,364,686
Profit on assets	8,166	11,542
Tax adjustment	5,550	3,059
Less: Other adjust. (net)	346,770	......
Earned surplus fwd.	4,081,462	3,846,486
Earned per Share	$2.32	$2.09
Paid	1.00	1.00
Shares O/s., n.p.v.	430,524	425,524

Working Capital

	$	$
Current assets	2,679,048	2,177,322
Current liabilities	857,389	423,346
Working capital	1,821,659	1,753,976

Northern Telephone

Northern Telephone Co. reports net profits equivalent to 19 cents a share on its 477,960 common shares for 1940. This compares with 20 cents a share in 1939. Funded debt is reduced by $6,000 to $151,500.

Revenue and expenditure accounts show an increase in rental account partly offset by lower long distance tolls. Total number of telephones in use at Dec. 31 last was 13,506, compared with 12,926 at the close of 1939. This increase of 580 telephones compares with gains of 1,138 in 1939 and 1,483 in 1938. Expenditures on capital account last year totalled $73,564.

The company operates a telephone system in northern Ontario and Quebec.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross earnings	521,615	506,619
Less: Expenses	322,573	312,961
Net earnings	199,042	193,658
Less: Depreciation	71,707	70,508
Interest	6,199	6,966
Income tax	32,273	19,451
Net profit	88,863	96,734
Less: Dividends	47,796	39,991
Surplus for year	41,067	56,743
Add: Prev. surplus	*230,864	192,765
Surplus forward	271,931	249,508

*After tax adjustment.

Working Capital

	$	$
Current assets	90,585	41,001
Current liabilities	111,296	74,618
Excess current liabs.	20,711	33,617

Stanfields Ltd.

Stanfield's Ltd. reports net profit of $137,201 in the year ended Dec. 31, 1940, compared with $129,650 in 1939. This was equal to earnings on the outstanding common stock of $13.72 and $12.97, respectively.

Dividends of $2.50 a share were paid on the stock in 1940, against $5 in 1939. After deduction of disbursements surplus for year was $112,201 in 1940 and $79,650 in 1939.

Net working capital increased by $177,391 to $1.5 million.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Net profit*	137,201	129,650
Less: Dividends	25,000	50,000
Surplus for year	112,201	79,650
Add: Prev. surplus	314,198	234,548
Surplus forward	426,399	314,198

*After all operating and administrative expenses, depreciation, bad debts, taxes and $4,000 for directors' fees.

Working Capital

	$	$
Current assets	1,766,714	1,639,474
Current liabilities	230,018	280,169
Working capital	1,536,696	1,359,305

Balance Sheet Changes

	$	$
Cash	592,718	659,369
Investments (cost)	219,754	179,578
Receivables	482,269	410,977
Inventories	346,898	263,944
Funded debt	120,000	140,000

Your Income Tax . . . .

From now until April 30, deadline for filing personal income tax returns, The Financial Post will answer questions from subscribers about their income and national defense taxes, as to exemptions to which they may be entitled, methods of payment, etc.
Enquiries are invited.

C.N.R. Pensions

Is the pension received from the Canadian National Railways subject to income tax? If a taxpayer has one dependent child and she marries during the year, can the exemption of $400 be claimed?

Pensions received from the Canadian National Railways are subject to income and National Defense Tax. Exemption from tax depends on the terms on which the pension is established and it appears that the C. N. R. pensions are among those not exempted.

The taxpayer is entitled to exemption of $400 for a dependent child even though she married during the year, but the exemption will cease at the end of the year in which the child married, of course.

Three Dependent Children

In 1940 my income was $2,293. How much income tax and National Defense Tax should I pay. I am a married man and have three dependent children aged 13, 6 and 4 years?

For income tax you are exempt $1,500 as a married man. Then you are exempt $400 for each dependent child. Accordingly your total exemptions come to $2,700 so that you have no income tax to pay. As regards National Defense Tax, your tax for 1940 was assessed on half the year's total income, that is $1,147. At 2% the National Defense Tax would be $22.93. But in an ordinary year you are allowed to deduct, from the tax payable, $8 for each dependent child. As you are paying tax for only half the 1940 income, you are allowed to deduct only $4 for each child instead of $8. This would make a total deduction of $12 for the three. The amount of tax you have to pay according is $22.93 less $12, cr $10.93.

Installing Invention

I worked for several years on an invention and spent considerable money on it. When it was completed I sold it for a lump sum, with an arrangement that I should receive a fee for installing and servicing the device. I have agreed to give service at any time the buyer of the device may require it. There is considerable expense often entailed in giving such service. If this extends over several years the inventor would not know definitely what his net income is from the transaction. How would one work out his income tax on the money received from the invention?

The lump sum for which the patent was sold is regarded as capital, not as income. Accordingly it need not be considered for income tax purposes.

All fees for installing or servicing the device as well as royalties on sales are income and subject to income tax. You are entitled, however, to deduct all expenses incurred in connection with such installation or service and it is only on the amount that remains after such deductions that you are liable for tax.

As far as present and future earnings and expenses are concerned, each year must stand by itself. From the income received in any one year you can deduct the expenses incurred in that year. The tax due on the remainder must be paid at the proper time.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg., Toronto
AD. 5457

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A Home that Savings Built

Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build; and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

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Head Office, 320 Bay St., Toronto
ASSETS EXCEED $67,000,000

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LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
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The administration of an estate requires more than willingness to undertake responsibility. It requires expert handling by men trained in such matters.

Make sure that your estate will be handled by fully qualified, experienced executors by appointing a reliable trust company of long standing.

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McCallum-Hill Building	Regina, Sask.
411 Avenue Building	Saskatoon, Sask.

"Impulse Buying?
NEVER HEARD OF IT!"

"Do you mean to tell me that I buy things just on the impulse of the moment? Don't be ridiculous! Why — I just walk through the store and when I *see* what I need I take it. But as for buying on — oh look! See that attractive box of biscuits over there — no, no, those ones in "Cellophane", — well I've simply *got* to have — I mean I quite forgot I *needed* biscuits. Get me a couple of boxes will you and oh — about that impulse buying. Perhaps other people shop that way but not me, definitely!"

Carefully prepared statistics still show that 75% of all shoppers in grocery stores buy *on impulse.* That's why "Cellophane" packages for grocery products are vitally important, for "Cellophane" stops shoppers, displays products, reveals quality and creates the "impulse to buy". Are you taking full advantage of the sales stimulating qualities of "Cellophane"? One of our experienced packaging men will be glad to discuss its successful use with you. "Cellophane" Division, Canadian Industries Limited, Box 10, Montreal, Quebec.

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GYPROC fireproof WALLBOARD Provides Fire-Safe Construction at No Extra Cost

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VANCOUVER CALGARY WINNIPEG TORONTO MONTREAL

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 14

A

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
.90	.55	.	...	Abitibi	1450	2.80	.75	.75	.75
8	4	.	...	Do. pref. 6%	1685	6¼	7	6	6
12¾	10	.	...	Do. pref. 7%	25	10	11	11	11
3	1	.	...	Acme Glove	....	(1¼ bid — asked)			
60	50	6.50	10.8	Do. pref.	125	60	60	60	60
12	11¼	80+20c	8.7	Agnew Surp.	10	11¼	11¼	11¼	11¼
108	105¼	7	6.6	Do. pref.	10	106¼	106	106	106
1.50	.90	.	...	Alta. Pac. Gr.	....	(.75 bid 1.60 asked)			
30	24½	.	...	Do. pref.	....	(20 bid 25 asked)			
10	7	.	...	Algoma Steel	275	8¼	8¼	8¼	8¼
97½	89¼	2.50	...	Do. pref.	....	(90 bid 93 asked)			
115	105	8	7.6	Aluminum	170	107	107¼	105	105
120	117	6	5	Do. pref.	....	(118 bid — asked)			
7¼	6	.	...	Amal. Electric	....	(5 bid 6 asked)			
§43	34¾	60c	...	Amer. Cyn. B.	....	(33 bid — asked)			
46	45¼	2.75	6	Ang. Can. Tel. p	....	(— bid 48 asked)			
18	14¾	60+60c	7	Asbestos	180	16	17¼	17¼	17¼
16	14¼	1	6.3	Assoc. Brew.	150	15	15¾	15¾	15¾
110¼	108¼	7	6.3	Do. pref.	5	110	110¼	110¼	110¼
•2	2	.	...	Assoc. T. & T.A.	....	(— bid 7 asked)			
§24	24	‡48c	...	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg	....	(100 bid — asked)			

B

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
147	140	8	5.5	Bk. Can. Nat.	2	145	145	145	145
195	171	8	4.5	Bk. Montreal	33	175	176	176	176
285	277	12	4.3	Bk. N. Scotia	6	280	277	277	277
250	244½	10	4	Bk. Toronto	....	(248 bid 250 asked)			
•5	4¼	.	...	Barcelona	....	(— bid — asked)			
1.25	.55	.	...	Barker's Bread	....	(—bid 1.00 asked)			
22	22	2.50	11.3	Do. pref.	....	(— bid 25 asked)			
13	10¾	1	9.1	Bathurst Pr.	425	11¾	11¾	11	11
2¼	1¾	.	...	Do. (B)	70	2¼	2	2	2
2¼	2	.	...	Beath & Sons	....	(2¾ bid 4¼ asked)			
8	4¼	.	...	Beatty Bros.	265	5¼	5¼	5¼	5¼
102¼	101	6	5.9	Do. pref.	25	102¼	101¼	101¼	101¼
§90	88	7	7.9	Do. 2nd pref.	....	(85 bid 90 asked)			
10	6¼	.	...	Beauharnois	667	9	9	8¾	8¾
80	80	4	5	Belding Cort.	....	(— bid 90 asked)			
127	127	7	5.5	Do. pref.	....	(124 bid 136 asked)			
160¼	153¼	8	5.2	Bell Telephone	286	155¼	156	154	154
6¼	5	15c	...	Bertram & Sons	....	(6¼ bid — asked)			
8¾	7¼	60c	8	Biltmore Hats	40	8¼	7¼	7¼	7¼
6	5	.	...	Blue Ribbon	....	(— bid 6 asked)			
37¼	35	2.50	7.2	Do. pref.	....	(32 bid 35 asked)			
20¾	20	1.30	6.3	Brant. Cord. pf.	....	(21¼ bid 22 asked)			
7¾	•5	.	...	Brazilian Tr.	2522	5¾	6	5¼	5¾
5¼	3¼	50+10c	...	Brew. & Distil.	60	4¼	4¼	4¼	4¼
6¼	6¼	30c	4.6	Bright, T. G.	40	..	6¼	6¼	6¼
§90	89	6	6.7	Do. pref.	....	(90 bid — asked)			
18¾	15¼	1	6	Brit. Amer. Oil	1503	17¼	17¼	16¾	16¾
12¼	10	.	...	B. C. Packers	....	(10 bid — asked)			
26¼	22¼	2	8.6	B. C. Power A	60	24	23¼	23¼	23¼
1.75	1.00	.	...	Do. (B)	265	1.25	1.75	1.50	1.75
5¼	4¼	.	...	Bruck S. Mills	....	(4¼ bid 5¼ asked)			
15¾	13¾	70+10c	5.3	Building Prod.	525	15	15¼	15	15
10¾	7¾	60c	6.7	Burlington St'l	425	8	9	8¼	9

C

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
§70	70	.	...	Calgary Power	....	(— bid 70 asked)			
102¼	101	6	5.9	Do. pref.	....	(102¼ bid — asked)			
2¼	2	.	...	Canada Bread	120	2	2	2	2
100	95	5	5	Do. pref.	....	(98 bid — asked)			
40	35	2.50	7.2	Do. pref. B	....	(35 bid 53 asked)			
4¾	4	40c	10	Canada Bud	1045	4	4	4	4
7	4¼	.	...	Canada Cement	517	5¼	5¾	4¼	5
100	94	5	5.1	Do. pref.	57	99	98	98	98
5¾	5¼	10c	...	Can. Cr. Stone	....	(4¼ bid — asked)			
105¼	102¾	5	4.8	Canada Cycle, p	....	(103¾ bid 106 asked)			
27	23¼	1.50	5.8	C. & D. Sugar	185	26	26	25¾	26
18	15	1.50	9.4	Can. Forg. (A)	20	16	16	16	16
§22	13	♦1.50	8.8	Do. (B)	....	(— bid — asked)			
§40	40	4.50	...	Can. Iron	....	(35 bid — asked)			
70	70	3	...	Do. pref.	....	(72 bid — asked)			
§390	390	20	5.1	Canada Life	....	(380 bid — asked)			
§4	1	.	...	Can. Mach'y	....	(3¼ bid — asked)			
§32	25	♦3.50	...	Do. pref.	....	(98 bid — asked)			
39	33¾	2+50c	6.9	Can. Malting	80	36	36	35¼	35¼
8¾	6	1	...	Can. Nor. Pr.	90	8¼	7¾	7¾	7¾
99	94	7	7.2	Do. pref.	9	94	97	97	97
87¼	77	3+1	5.2	Can. Packers	....	(77 bid 80 asked)			
§.25	.25	.	...	Can. Paving, c.	....	(— bid .25 asked)			
136	126	8	6.2	Can. Perman.	62	128	128	128	128
9	8	♦1	...	Can. Starch	10	9	9	9	9
§110	109	7	6.4	Do. pref.	....	(108 bid — asked)			
5¼	3	.	...	Can. Steamsh's.	850	3¼	3¾	3¾	3¾
22¾	17	2.50	14.7	Do. pref.	401	17¼	17¾	17	17
8	6¼	40c	5.9	Can. Vinegars	....	(6¼ bid — asked)			
61	54	4	6.9	Can. W. Cable	40	58	58	58	58
23	17¾	♦1.25	6.9	Do. (B)	25	18¼	18	18	18
107	107	6.50	6.1	Do. pref.	....	(106¼ bid — asked)			
¾	¾	.	...	Can. Bakeries	....	(¼ bid ¾ asked)			
22	20	♦3	...	Do. pref.	....	(22 bid 32 asked)			
163	149	8	5.3	Can. Bk. Com.	34	150	152	150	150
1.00	.50	.	...	Can. Breweries	200	.75	.75	.70	.70
25	20	3	13.3	Do. pref.	....	(21 bid 24 asked)			
36	34¼	1.50+50c	6	Can. Bronze	....	(34¼ bid 35 asked)			
105	103	5	4.8	Do. pref.	40	105	105	105	105
6¼	5	50c	...	Can. Canners	25	5¼	5¼	5¼	5¼
20	18¼	1+10c■	5.6	Do. 1st pfd.	95	19¼	19¼	18¾	18¾
10	9	60+10c■	7.6	Do. 2nd pfd	....	(8¾ bid 9 asked)			
10	6	.	...	Can. Car & F'y	270	6¾	6¾	6	6
27¼	20¾	44c	...	Do. pref.	355	21¾	21¾	20¾	20¾
29	21¼	1	4.6	Can. Celanese	410	22	22	21¼	21¼
124	113	7+60c■	...	Do. pref.	....	(113¼ bid — asked)			
23	22¼	1	4.3	Do. Rights	....	(23 bid — asked)			
19	15	1	5.6	Can. Convert.	....	(17¼ bid 19 asked)			
106¾	90	4+2	5.6	Can. Cottons	....	(— bid 107¼ asked)			
116	105	6	5.2	Do. pref.	8	115	115	115	115
22	15¼	1.50	7.9	Can. Dredge	....	(— bid 19 asked)			
101	99¼	6	6	Can. Fairb. pf.	....	(97 bid — asked)			
11	9	1.40	...	Can. For. Inv.	....	(9 bid 11 asked)			
105	104	8	7.7	Do. pref.	....	(105 bid — asked)			
220	210	8	3.8	Can. Gen. Elec.	5	215	210	210	210
8¼	7	50c	6.7	Can. G. Inv.	1000	7	7¼	7¼	7¼
3	1¼	♦15c	...	Can. Ind. Alc.	....	(2¼ bid 2¼ asked)			
2¾	1¾	♦15c	...	Do. (B)	....	(1¾ bid 3 asked)			
208	180	7	3.8	Can. Indust. B.	16	183¼	182	181	181
176	168	7	4.1	Do. pref.	....	(169 bid — asked)			
§.30	.10	.	...	Can. Int. I. Tr.	....	(.25 bid — asked)			
50	41	2	4	Do. pref.	....	(40 bid 50 asked)			
14	12	1	7.4	Can. Lt. & Pr.	....	(13 bid 18 asked)			
9	7	.	...	Can. Locomo.	75	8¼	8¾	8¾	8¾
.95	.70	4c	...	Can. Marconi	275	.85	.85	.80	.80
17	12¼	50+50c	7.7	Can. Oil	....	(13 bid 16 asked)			
121	118	8	6.8	Do. pref.	....	(118 bid 123 asked)			
6¼	4¼	.	...	Can. Pacific	5302	5¼	5¼	5	5
.50	.10	.	...	C. Pr. & Pa. In.	....	(.25 bid .50 asked)			
2¼	1¾	.	...	Do. pref.	....	(2 bid 3 asked)			
3¼	2	.	...	Can. Vickers	25	2¼	2¼	2¼	2¼
15	10	.	...	Do. pref.	70	13	12	12	12
9	9	1	...	C. Wallpaper A.	....	(9 bid 10 asked)			
9	8	1	...	Do. (B)	....	(8 bid 10 asked)			
45	42	‡1.37½	...	Can. West'ho'se	....	(— bid 48 asked)			
4	2¾	15c	...	Can. Wineries	....	(3¾ bid 4 asked)			
20¼	13¾	1.50	7.8	Can. Wire Box	....	(18¾ bid 19¼ asked)			
1.25	1.00	.	...	Capital Estates	200	1.00	1.00	1.00	1.00
119	119	5	4.2	Carnation, pfd.	....	(117½ bid — asked)			
9¼	7¾	50c	...	Catelli Food	....	(7¼ bid 9¾ asked)			
10	9¼	75c	7.5	Do. pref.	....	(— bid 10 asked)			
2.00	1.70	.	...	Celtic Knit.	10	2.00	1.70	1.70	1.70
155	155	8	5.2	Cent. Can. L'n.	....	(— bid — asked)			
92	90	4	4.4	Chart. Trust	....	(— bid 90 asked)			
.32	.15	.	...	Chem. Research	....	(.15 bid — asked)			
.40	.30	.	...	City Gas & El.	....	(.35 bid .40 asked)			
.10	.10	.	...	Claude Neon	....	(— bid .10 asked)			
1.50	1.25	12c	...	Coast Brew.	250	1.30	1.30	1.30	1.30
6¼	4¼	.	...	Cockshutt Plow	25	4¼	4¼	4¼	4¼
1.95	1.50	15c	...	Comm. Alcohol	155	1.95	1.80	1.75	1.80
6	5	40c	8	Do. pref.	....	(5 bid 5¼ asked)			
4	4	♦40c	...	Conduits Nat.	....	(3¼ bid 5¼ asked)			
14	9	‡40c	...	Cons. Bakeries	75	9	9	9	9
.03	.03	.	...	Cons. Div. Sec.	....	(.01 bid .08 asked)			
7¼	7¼	75c	...	Do. pref.	....	(7¼ bid 14 asked)			
4	2¼	.	...	Cons. Paper	2367	3¼	3¼	2¾	3
4	3	.	...	Cons. Press	....	(— bid 4¾ asked)			
§75	55	♦4.75	...	Cons. Sand. pf.	....	(75 bid 82¼ asked)			
39¼	34	♦1+1.25	6.5	Cons. Smelt.	562	36	35¼	34¼	34¾
145	128	8	6.1	Consumers' Gas	18	134	133	130	130
40	30	3.50	...	Corr. P. Box, p.	....	(40 bid 67¼ asked)			
25	22	1.20+15c	...	Cosmos Imp.	25	24	23¼	23¼	23¼
31	27¼	2	7	Crown Cork	....	(28¼ bid 30 asked)			
1¼	1¼	.	...	Crown Dom. Oil	....	(1¼ bid — asked)			
33	28	3	9.9	Crow's N. Coal	20	28	33	30¼	30¼
1.05	.50	.	...	Cub Aircraft	1350	.60	.60	.50	.55

D, E

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
10¼	9¼	1	...	David & Fre. A	....	(— bid 12 asked)			
1.60	1.40	.	...	Do. (B)	....	(— bid 2.00 asked)			
8¼	7	.	...	de Havilland	....	(7 bid — asked)			
75	75	♦7	...	Do. pref.	....	(80 bid — asked)			
1.50	1.00	.	...	Disher Steel	....	(1.10 bid 1.40 asked)			
10	10	♦1.50	...	Do. pref.	....	(— bid 14 asked)			
28¼	20¾	2.22	9.5	Distill-Seagram	310	21¾	21¼	20¾	21
97¼	93	5	5.3	Do. pref.	....	(— bid 93 asked)			
§39¾	39¾	♦1	...	Dom. Ang. Inv.	....	(30 bid — asked)			
70	70	5	7.2	Do. pref.	....	(70 bid 84 asked)			
200	185	10	5.3	Dom. Bank	2	186	187¼	187¼	187¼
27¼	22¼	1.20	4.9	Dom. Bridge	440	25¼	25¼	24¼	24¼
21	17¾	1.50	8.3	Dom. Coal, pf.	120	19	18¼	18	18
28	25	.	...	Dom. Engineer.	....	(20 bid 25 asked)			
24	17	1	5.3	Dom. Foundries	200	18¾	18¾	18¼	18¼
107	105	6	5.7	Do. pref.	....	(105 bid 110 asked)			
126	115	5	4.2	Dom. Glass	....	(115 bid — asked)			
155	148¼	7	4.7	Do. pref.	....	(148¼ bid 160 asked)			
29¼	29¼	1.20+40	5.4	Dom. Oilcloth	....	(— bid 29¾ asked)			
.45	.45	.	...	Dom. Scot. Inv.	....	(.45 bid .80 asked)			
25	25	♦2.25	...	Do. pref.	....	(25 bid — asked)			
1¾	1¾	.	...	Dom. Square	....	1¾	1¾	2	..
9¾	7¼	.	...	Dom. St. & C.B.	1231	7¾	7¼	7¼	7¾
5¼	3¼	.	...	Dom. Stores	280	5	5	5	5
5¼	3¾	.	...	Dom. Tar & Ch.	604	4¾	5	4¼	5
88	83¼	5.50	6.5	Do. pref.	....	(— bid 87 asked)			
83	72	5	6.7	Dom. Textile	154	75	75	74	74
155	140	7	4.7	Do. pref.	....	(150¼ bid — asked)			
1.75	.75	.	...	Dom. Woollens	....	(1.00 bid — asked)			
8	6	60c	...	Do. pref.	128	6¼	6¼	6¼	6¼
5¾	3¼	.	...	Donnacona P.A.	116	4	4	3¼	3¾
5¼	3	.	...	Do. (B)	20	3¾	3¼	3¼	3¼
5¼	4	.	...	Dryden Paper	15	4¼	4	4	4
.50	.50	.	...	East Koot. Pr.	....	(— bid — asked)			
10	7	.	...	Do. pref.	....	(8 bid — asked)			
.65	.25	.	...	East Dairies	....	(.50 bid — asked)			
9	5¼	.	...	Do. pref.	1	7	8	8	8
13¼	10	1	8.5	East Steel	25	12	11¾	11¾	11¾
§6¼	6¼	.	...	East Theat.	....	(— bid 7¼ asked)			
3	2¾	.	...	Easy Washing	....	(2¼ bid — asked)			
23	22	1.37½	...	Economic Inv.	....	(21¼ bid 26 asked)			
8	6¾	20c	...	Electrolux	....	(6¾ bid 7¼ asked)			
3	2	.	...	Enam. & Heat.	....	(1 bid — asked)			
29	23¾	2.50	10	English Electric	50	25	25	24	25
5¾	3	.	...	Do. (B)	21	3	4	3¼	4
5¼	5	15c	...	Equitable Life	....	(5¼ bid 5¾ asked)			

F, G

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
3	2	.	...	Fairchild Air	55	2¼	2¼	2	2
20	18	1	5.6	Fam. Players	....	(— bid 21 asked)			
28	24¼	1.50+25c	7	Fanny Farmer	865	26	25¼	24¼	24¼
6	3¾	.	...	Fleet Aircraft	185	3¾	4	3¾	4
§1.50	.75	.	...	Fleury Bissell	....	(.20 bid .75 asked)			
15	13	.	...	Do. pref.	5	14	13	13	13
16¼	14¾	1	6.3	Ford Motor A	230	15¾	15¾	15¾	15¾
15	15	1	6.7	Do. (B)	....	(15¼ bid — asked)			
1.20	.05	.	...	For. Pr. Secs.	....	(— bid — asked)			
12¼	10¾	50c	...	Foundation Co.	25	11¾	11¾	11¾	11¾
9	4¼	.	...	Fraser Cos.	6	7¼	7	7	7
10¼	7	.	...	Do. Vot. Tr.	345	8¼	8¼	8	8
§.50	.50	.	...	Freiman	....	(— bid — asked)			
42	41	.	...	Do. pref.	....	(40 bid — asked)			
9¾	6¼	80c	10	Gatineau Pwr.	675	8	8	7¾	7¾
90	79	5	6.2	Do. pref.	75	80	80¼	80	80
95¼	85	5.50	6.3	Do. 5½% pref.	44	90	87¼	85	87¼
1.25	.25	.	...	Do. Rights	....	(.05 bid .95 asked)			
6¼	4¼	.	...	Gen. St. Wares	80	5	4¾	4¼	4¾
94	88	7	...	Do. pref.	....	(88 bid 93 asked)			
80	67¾	2.50+1.50	...	Goodyear Tire	5	69	68	69	68
56	53	2.50	4.7	Do. pref.	2	53¼	53¼	53¼	53¼
•50	50	1	...	Gould Pumps, p	....	(— bid — asked)			
4	2¼	.	...	Gt. Lakes Pap.	....	(2¾ bid 3¼ asked)			
§29	18¾	25c	...	Do. pref.	....	(— bid 21 asked)			
3¼	1¾	.	...	Do. Vot. tr. c.	35	3	3	3	3
19¾	14¾	25c	...	Do. Vot. tr. p.	185	17¼	17¼	16¼	16¼
5	1¾	.	...	Gt. W. Saddlery	350	4¼	4¼	4	4¼
30	25	2.25	...	Do. pref.	5	30	30	30	30
11¼	10¾	60c	5.6	Greening Wire	....	(10 bid 11¼ asked)			
§1.25	1.25	10c	...	Growers' Wine	....	(1.10 bid 1.25 asked)			
4¼	2¼	.	...	Gurd, Chas.	20	3	3	3	3
§107¼	106¼	7	6.5	Do. pref.	....	(— bid 106 asked)			
3¼	2¾	.	...	Gypsum, Lime	675	3¾	3¾	3¼	3¼

H, I

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
§21¼	21¼	1	...	Halifax Fire	....	(— bid — asked)			
5¼	3	.	...	Ham. Bridge	285	4	3¼	3¼	3¼
36	34¼	2+1.50▲	5¼	Ham. Cot., pf.	....	(35¼ bid — asked)			
.75	.75	.	...	Ham. U. Theat.	....	(.50 bid 1.00 asked)			
72	65	‡1.25	...	Do. pref.	....	(70 bid 72 asked)			
3¼	2¼	20+5c	...	Harding Carpet	20	2¼	2¼	2¼	2¼
.25	.25	.	...	Hillcrest Coll.	....	(.25 bid — asked)			
2¼	2¼	.	...	Do. pref.	....	(2¼ bid — asked)			
10¼	8¼	50c	5.9	Hinde & Dauch	15	9	8¼	8¼	8¼
•20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
§40	20	.	...	Do. pref.	....	(35 bid 60 asked)			
17¼	14	2	13.8	Honey Dew	....	(14 bid 14¼ asked)			
14¾	10¼	.	...	H. Smith Pap.	•25	11¼	11¼	11¼	11¼
101	98¼	6	6	Do. pref.	8	100	100	99	100
18	14¼	1	6.7	Humberstone S.	....	(14 bid 15 asked)			
4¼	3¼	.	...	Hunts (A)	....	(3¼ bid 5 asked)			
5	2	.	...	Do. (B)	55	2	4¼	4	4
56	52	4	7.5	Huron & E. Mt.	14	56	54	53	53
9	8	80c	...	Do. 20% pd.	....	(9 bid 11 asked)			
.80	.75	.	...	Hydro Electric	5	.80	.75	.75	.75
205	192	10	5	Imperial Bank	33	199	200	198	200
10¼	9	50c	5.2	Imperial Oil	1875	9¾	9¾	9¼	9¾
14	11	40+22½c	5	Imperial Tob.	1375	12¾	12¾	12	12¾
8	7	6%	4	Do. pref.	400	7	7	7	7
16	12¼	♦1.75	...	Indust. Accept.	100	13	13	13	13
§36	25	‡3	...	Inter-City Bak.	....	(20 bid 36 asked)			
.50	.50	3+1	...	Inter'c Coal	....	(— bid — asked)			
§120	120	8	6.7	Do. pref.	....	(— bid — asked)			
16¾	15	1.50	10	Inter. Bronze	....	(14¾ bid — asked)			
25	23	1.50	6.5	Do. pref.	300	24	24	23	23
.25	.25	3c	...	Int. Coal & C.	....	(.25 bid .40 asked)			
9¼	6	.	...	Int. Metal Ind.	25	7¼	7¼	7¼	7¼
105	93	6+3▲	6	Do. pref.	20	100	100	100	100
100	93¼	6+3▲	6.4	Do. pref. A	25	100	93¼	93¼	93¼
115¾	114	5	4.3	Int. Mill., pf.	....	(113 bid — asked)			
36¾	31	2	6.2	Int. Nickel	2432	34¼	34¼	32	32
2¼	2	.	...	Int. Paints	....	(2 bid 3¼ asked)			
§18	11	1+25c▲	...	Do. pref.	....	(13¼ bid 20 asked)			
16¼	14¼	.	...	Int. Pap. & P.	....	(— bid 16¼ asked)			
74¾	69¼	5+1.25▲	7	Do. pref.	....	(— bid 73 asked)			
15¾	13¾	1	7.2	Int. Pete.	802	14¼	14¼	13¾	14
3¼	2¼	.	...	Int. Power	....	(2¼ bid — asked)			
89	84	7	8.2	Do. pref.	4	85¼	86	86	86
•11¾	10¼	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
•4	3¾	.	...	Do. (B)	....	(— bid 4 asked)			
7	5	.	...	Int. Util. (A)	....	(6¼ bid 7 asked)			
.25	.10	.	...	Do. (B)	50	.20	.10	.10	.10

J, K, L

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
13	13	68c	5.2	Jam. Pub. Ser.	....	(12 bid 13¼ asked)			
§135	128	7	5.5	Do. pref.	....	(— bid 129 asked)			
11	8	1	...	Kelvinator	15	11	9¼	9¼	9¼
11	6¾	.	...	L. St. John Pr.	1	8¼	9	9	9
1.00	.65	.	...	Lake Sulphite	....	(— bid .65 asked)			
16	11¼	♦1	...	Lake of Woods	70	12¼	12¼	12¼	12¼
113	110	7	6.4	Do. pref.	....	(110 bid — asked)			
53	44	4	8.9	Landed Bank	....	(45 bid 48 asked)			
12	10	70+12½c	...	Lang, J. A.	....	(9¾ bid 13 asked)			
•3¼	2¼	.	...	Langley's	....	(— bid 1 asked)			
25	15	2	...	Do. pref.	40	22	25	25	25
10¼	9¼	80c	8.4	Laura Secord	305	9¾	9¾	9¼	9¼
12	6¼	.	...	Legare, pref.	10	9	9	9	9
3¼	3	♦15c	...	Levy Bros.	....	(2¾ bid — asked)			
6¼	4¼	.	...	Lindsay, C. W.	....	(4¼ bid 6¼ asked)			
50	50	.	...	Do. pref.	....	(48 bid 55 asked)			
27	24	1+25c	5	Loblaw (A)	272	25	25¼	24¾	25
26	22	1+25c	5.4	Do. (B)	55	23	23	23	23

M

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
1.00	1.00	.	...	Mackenzie Air	....	(— bid — asked)			
2	2	.	...	Mackin. Steel	....	(3¼ bid 4 asked)			
55	55	1.25	...	Do. pref.	....	(— bid 75 asked)			
15¾	11	.	...	Maclaren Pr. p.	10	14	13¼	13¼	13¼
8¾	7	.	...	M. L. Gardens	....	(8¼ bid 9 asked)			
7¼	6	70c	10.8	Do. pref.	....	(6¼ bid 7 asked)			
2¾	1¼	.	...	Maple Leaf M.	650	1¾	1¾	1¼	1¼
4¾	2¼	.	...	Do. pref.	100	3	3	2¾	2¾
16¼	16¼	70+10c	...	Maritime Tele.	....	(16¼ bid — asked)			
§17¼	16	70c	4.4	Do. pref.	....	(16¾ bid — asked)			
14¾	14¾	.	...	Marcus Loew's	....	(15¼ bid — asked)			
•100	100	7+1.75▲	...	Do. pref.	....	(— bid — asked)			
3¾	2	.	...	Massey-Harris	455	2¼	2¼	2¼	2¼
37	25	.	...	Do. pref.	130	33¼	33	31¼	32
5¾	4	.	...	McColl Fron.	520	4¼	4¾	4¼	4¼
98	93	6	6.4	Do. pref.	37	94	94	94	94
1.25	.75	.	...	Melchers	....	(1.00 bid 1.50 asked)			
5¼	5	30c	...	Do. pref.	37	5¼	5	5	5
•1¼	1¼	.	...	Mercantile Tran	....	(1¾ bid — asked)			
•5	5	6%	...	Do. pref.	....	(4¾ bid — asked)			
7¼	4¼	.	...	Mercury Mills	....	(5 bid — asked)			
47	45	2.50	5.6	Mitchell, J. S.	....	(— bid 50 asked)			
9¼	7¼	♦50c	...	Mitchell, Robt.	65	8¼	8¼	8	8
16¾	15	80+40c	7¼	Mod. Contain.	25	15¼	16	16	16
98	98	5.50	5.6	Do. pref.	....	(— bid 100 asked)			
§6	2	.	...	Monarch Knit.	....	(2 bid — asked)			
75	75	7	...	Do. pref.	....	(50 bid 65 asked)			
64	55	4	6.7	Montreal Cot.	....	(60 bid — asked)			
118	113	7	6.2	Do. pref.	5	113¼	113¼	113¼	113¼
1.00	.30	.	...	Mont. Is. Pr.	....	(.25 bid — asked)			
29¼	20¼	1.50	7.2	Mont. L. & Pr.	3732	22	21¾	20¼	20¾
50¼	48¾	.	...	Do. Notes	27	49	49	48¾	48¾
§15	15	1.25	...	Montreal Loan	....	(15 bid — asked)			
§.85	.16	.	...	Mtl. Refrig & S	....	(.50 bid .85 asked)			
§10¼	6	1.25	...	Do. pref.	....	(9¼ bid 11¼ asked)			
30	25	3.20	12.3	Montreal Tele.	15	27	26	26	26
52	20	.	...	Montreal Trams	40	30	29	28	28
47¼	41	2+60c	5¼	Moore Corp.	205	45¼	45¼	45¼	45¼
188	179	7	3.8	Do. pref. (A)	23	179	183	183	183
279	266	7	2.6	Do. pref. (B)	15	268	268	268	268
.05	.05	.	...	Muirheads	....	(— bid .15 asked)			
§1	1	.	...	Do. pref.	....	(— bid — asked)			

N, O

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
27¼	23¼	2	8.3	Nat. Breweries	400	24¼	24¼	24	24
38¾	35	1.75	4.9	Do. pref.	....	(36 bid 40 asked)			
5	3¾	.	...	Nat. Grocers	665	4¼	4	4	4
25¼	24¾	1.50	6	Do. pref.	15	25	25	25	25
7¼	7	.	...	N. Sew. Pipe A.	....	(7 bid 8 asked)			
38¼	30¾	2	5.7	Nat. Steel Car	585	35	35	33	34¾
150	150	8	5.3	National Tr.	....	(140 bid 160 asked)			
§9¼	9¼	♦60c	...	Neon Prod.	....	(— bid — asked)			
25¼	20	2	9.9	Niag. W. Weav.	....	(20¼ bid — asked)			
3	2¼	.	...	Noorduyn Av.	100	2¼	2¼	2¼	2¼
.90	.40	.	...	North Star Oil	200	.50	.50	.50	.50
3¾	3¼	35c	...	Do. pref.	20	3¼	3¼	3¼	3¼
86	86	6	7	N. S. L. & Pr.	....	(86¼ bid — asked)			
107	106	6	5.6	Do. pref.	....	(— bid — asked)			
21¼	20	1	4.9	Ogilvie Flour	95	20¼	20¼	20¼	20¼
155	155	7	4.5	Do. pref.	5	155	155	155	155
106¾	105	5	4.8	Ontario Loan	....	(105¼ bid 111¼ asked)			
§5¼	2	.	...	Ont. Silknit	....	(— bid 4¼ asked)			
45	35	1	...	Do. pref.	25	35	37	37	37
7	7	1	...	Do. Scripts	38	7	7	7	7
10	8¼	♦1	...	Ont. Steel	....	(8¼ bid 10 asked)			
§115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
2.00	1.25	.	...	Orange Crush	....	(1.10 bid 1.25 asked)			
6¼	6¼	70c	10.8	Do. pref.	....	(6¼ bid — asked)			
8¼	5	20c	...	Ott. Car Air	25	7	6¾	6¾	6¾
16	14	♦1.20+30c	...	Ottawa El. Rly.	....	(14 bid 16¼ asked)			
11	7¼	40c	...	Ott. L. H. & Pr.	5	8¾	7¼	7¼	7¼
99	95	5	5.1	Do. pref.	....	(98 bid 99 asked)			

P, Q, R

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
23	23	3c	...	Pacific Coyle	....	(23 bid — asked)			
105	98¾	5	5	Page Hersey	122	99¾	99¾	99¼	99¾
§6	3¼	.	...	Pantepec Oil	....	(— bid — asked)			
30	30	2	6.7	Paton Mfg.	....	(25 bid — asked)			
§115	115	7	6.1	Do. pref.	....	(110 bid 120 asked)			
50	49	3	6.1	Penmans	5	49	49	49	49
123	120	6	5	Do. pref.	....	(122 bid — asked)			
16¼	14¼	♦1+50	9.4	Photo Eng.	....	(14 bid 17 asked)			
99	95¼	7	7.1	Porto Rico Pr p	....	(96 bid 100 asked)			
6	4¼	15c	...	Power Corp.	120	4¼	4¼	4¼	4¼
98	90	6	6.6	Do. pref.	....	(88¼ bid 95 asked)			
43	35¼	3	8.5	Do. 2nd pref.	....	(— bid 35¼ asked)			
9¼	8	1	...	Pressed Metals	83	9	9	8¼	9
12¼	9	.	...	Price Bros.	80	10¼	10	9¼	9¼
70	65	5.50	8.2	Do. pref.	25	66	67¼	67¼	67¼
7	6	40c	...	Prov. Transport	165	6¼	6¼	6¼	6¼
14¼	10¼	1	9.5	Quebec Power	200	12	11¼	10¼	10¼
4	4	.	...	Que. Telephone	....	(4 bid — asked)			
24	24	2	8.3	Real Estate L'n	....	(24 bid 28 asked)			
5	5	25c	...	Regent Knit	....	(— bid 5 asked)			
18	17	1.60	9.3	Do. pref.	40	18	17	17	17
4¼	4¼	.	...	Reliance Grain	....	(2¼ bid 4 asked)			
§66	64	6.50	10	Do. pref.	....	(55 bid 65 asked)			
17	15¼	2	12	River S. Mill	....	(17 bid 24 asked)			
5¾	2	.	...	Rogers Majest.	1573	5¾	5¾	5¼	5¼
§19¼	12	60c	...	Rolland Pap.	....	(9 bid — asked)			
11	10	60c	6	Do Vot. Trust	....	(9 bid 10 asked)			
95	93¼	6	6.3	Do. pref.	....	(93¼ bid — asked)			
167¼	148	8	5.3	Royal Bank	30	151	152	150¼	150¼
15¼	14	80c	5.2	Russell Indust.	150	15¼	15¼	15¼	15¼
160	145	7	4.4	Do. pref.	....	(153 bid 160 asked)			

S

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
107	103	5.50	5.3	Saguenay Pr. p.	5	105	104	104	104
34¼	34¼	25c	...	Sagamo	....	(— bid 34 asked)			
9	6¼	.	...	Sarnia Br. (A)	....	(6 bid 8 asked)			
§2¼	1¼	.	...	Do. (B)	....	(1 bid 2¼ asked)			
17	13¼	90c	6.8	Shawinigan Pr.	520	14¼	14	13¼	13¼
12¼	8¼	.	...	Sher. Wms.	60	8¼	9	8¼	8¼
115	109	7+1.75▲	6	Do. pref.	15	111	110	109	109
4¼	3	.	...	Silverwoods	112	3¼	4	3¼	3¼
6¼	5¼	40c	7.3	Do. pref.	....	(5¼ bid 6 asked)			
6¼	5¾	60c	10.4	Simon & Sons	5	6	5¾	5¾	5¾
106	105¼	7	6.6	Do. pref.	15	105¼	106	106	106
11	9	.	...	Simpson, A.	11	11	9	9	9
5	3	.	...	Do. (B)	69	3¾	4	3	4
100	91¼	6.50	6.9	Do. pref.	26	97	95	94¼	94¼
135	132	6	4.5	Simpson, R., pf.	....	(132 bid 140 asked)			
10¼	10	80c	8	So. Can. Pr.	5	10	10	10	10
106	98¼	6	6	Do. pref.	24	100	100	98¼	98¼
2¾	1¾	.	...	St. Law. Corp.	300	2	2	2	2
17	15	1	6.7	Do. (A)	405	15¼	15¼	15	15
22	19	1+50	6.8	St. Law. Flour.	....	(20 bid — asked)			
112	110	7	6.4	Do. pref.	....	(110 bid — asked)			
40¼	34	2	5.9	St. Law. Pap. p	78	35	34¼	34	34
10¼	8	‡50c	...	Stand. Chem.	....	(8¼ bid 12 asked)			
1¼	1¼	.	...	Stand. Clay	....	(1 bid 3¼ asked)			
.90	.50	.	...	St. Pav. & Mat.	....	(.60 bid .75 asked)			
3¾	2¼	31¼c	...	Do. pref.	25	3¾	3¼	3¼	3¼
25	22	♦60+60c	5	Stedman Bros.	20	22¼	22	22	22
70	59¼	3	4.8	Steel of Can.	325	63¾	63	62¾	63
74	64	3	4.4	Do. pref.	235	68	68	68	68
3	2	.	...	Sterling Coal	....	(3 bid 4 asked)			
.15	.15	.	...	Stop & Shop	....	(— bid .20 asked)			
14	14	80c	5.7	Stuart, D.A. pf.	....	(— bid 14 asked)			
§3¼	2¾	.	...	Supersilk H. A.	....	(— bid 2¾ asked)			
3	3	.	...	Do. (B)	....	(3 bid — asked)			
§82	72	5	6.9	Do. pref.	....	(— bid 78 asked)			
30	23	1+50c	6.5	Sup. Pete. ord.	....	(23 bid — asked)			
27	25	1+50c	5.6	Do. com.	....	(25 bid 32 asked)			

T, U, V

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
11¾	10	80c	7.4	Tamblyn	105	11	10¾	10¾	10¾
52¼	52¼	2.50	4.8	Do. pref.	....	(52¼ bid — asked)			
§3	3	.	...	Thayers	....	(1¼ bid 6 asked)			
§36	20	2.50	...	Do. pref.	....	(20 bid 35 asked)			
2	2	.	...	Thrift Stores	....	(1 bid — asked)			
9	8	.	...	Do. pref.	....	(— bid 10 asked)			
10	7¾	60c	7.7	Tip Top Tailors	....	(— bid 9¼ asked)			
107	100	7	6.9	Do. pref.	....	(107 bid — asked)			
1.50	1.50	.	...	Tooke Bros.	....	(1.00 bid — asked)			
13	12	.	...	Do. pref.	....	(— bid 20 asked)			
21¼	19	1	5	Tor. Elevators	....	(20 bid 21¼ asked)			
45¼	42	2.62½	5.8	Do. pref.	....	(43¼ bid 47 asked)			
80	70	4	5.7	Tor. Gen. Tr.	35	74	71	70	70
82	75	5	6.3	Toronto Mtge.	....	(75 bid 80 asked)			
149	145	7	4.7	Tuckett Tob. p.	....	(146 bid 155 asked)			
2	1¼	.	...	Twin City	....	(— bid 1¾ asked)			
26¼	26¼	.	...	Do. pref.	....	(— bid — asked)			
14¼	11¼	80+20c	8.5	Union Gas	510	12	11¾	11¼	11¾
13	13	♦80c	6.2	Un. Amuse. A.	....	(13 bid — asked)			
13	13	♦80c	6.2	Do. (B)	....	(13 bid — asked)			
.85	.60	.	...	United Distill	....	(— bid .95 asked)			
38¼	33	3	8.9	United Fuel, pf.	5	33¾	33¾	33¾	33¾
5¾	2¾	.	...	Do. B. pref.	80	4	2¾	2¾	2¾
4¾	4¾	.	...	United Secs.	....	(— bid 4 asked)			
4	2¾	.	...	United Steel	485	3	3¼	2¾	3¼
4	3¼	.	...	Viau Bisc.	....	(3¼ bid — asked)			
60	55	5	8.3	Do. pref.	....	(56 bid — asked)			

W, Y, Z

Range 1941 High	Low	Div R'te $	Apr12 Y'ld %	Company	Sales	Last Apr. 7	Week end. Apr. 14 H	L	Cl'se
28¼	23¼	2	8.5	Wabasso Cot.	20	24	23¼	23¼	23¼
48	36¼	4	10.1	Walker-Good.	221	40	40¼	39	39¼
20¼	19¼	1	5.1	Do. pref.	405	19¾	19¾	19¼	19¾
.80	.60	♦5c	...	Walkerville Br.	100	.60	.75	.75	.75
§135	120	7	5.4	W. Koot. Pr. pf	....	(123¼ bid — asked)			
1.75	1.00	.	...	West. C. Flour.	45	1.00	1.00	1.00	1.00
25¼	22	.	...	Do. pref.	....	(— bid 22 asked)			
60	46	3+1	6.7	West Grocers	....	(50 bid 60 asked)			
115	111	7	6.1	Do. pref.	....	(96 bid 112 asked)			
§11¾	11¾	50c	4.2	W'minster Pap.	....	(— bid — asked)			
11¼	9	80c	8	Weston Ltd.	105	10	10	9¾	10
98	90	5	5.4	Do. pref.	10	90	93¼	93¼	93¼
18¼	15¾	1	6.1	Wilsils	25	16	16¼	16¼	16¼
1.15	.50	.	...	Winnipeg El. A	317	.80	.85	.75	.75
1.40	.65	.	...	Do. (B)	10	.80	.75	.75	.75
8	4	.	...	Do. pref.	4	5	4	4	4
85	74	7	9.4	Wood A. & J. p	....	(— bid 85 asked)			
50	45	.	...	Woods Mfg. pf.	....	(45 bid — asked)			
5¼	5	20c	...	York Knitting	....	(5¼ bid 6 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
9¾	8¼	20c	...	Zellers	35	9¼	9¾	9¼	9¾
24¼	24¼	1.50	6.1	Do. pref.	....	(— bid — asked)			

Quotations: § 1940. • 1939. * 1938.
▲ On account of arrears. ♦ Paid in 1940.
■ Participating. ‡ Paid or payable in 1941 to date.

Mining Stocks

Week Ending April 14.

A

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
No	.17	.07	Aldermac	4,600	.10½	.11	.10	.10
1	.01½	.01	Amm. Gold	1,000	.01	.01½	.01½	.01½
No	2.75	2.25	Anglo-Huronian	......	(2.25 bid 2.50 asked)			
No	.30	.30	Argus Interests	......	(.30 bid .40 asked)			
No	•.03	.01	Arno	......	(.... bid .02 asked)			
1	.09	.03½	Arntfield	1,100	.03½	.04½	.04½	.04½
1	.05½	.03½	Ashley	......	(.04 bid .04½ asked)			
1	.05	.03	Astoria Quebec	600	.03½	.04½	.03½	.03½
1	2.45	1.63	Aunor Gold	5,057	1.89	1.85	1.70	1.70

B

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	.16½	.05	Bagamac	1,600	.10	.09	.09	.09
1	.08	.04½	Bankfield	1,800	.06	.05½	.05½	.05½
No	.11	.07	Base Metals	1,000	.08½	.08	.07½	.07½
1	.15	.10	Bear Exploration	1,500	.12	.11	.10½	.10½
1	1.24	1.03	Beattie Gold	2,050	1.11	1.13	1.05	1.05
1	.09	.05	Beaufor	4,000	.05	.05	.05	.05
1	1.00	.90	Berens River	......	(.... bid 1.00 asked)			
1	.13½	.07½	Bidgood Kirk.	14,800	.08½	.08½	.08½	.08½
1	.05	.03	Big Missouri	50	.03½	.03	.03	.03
1	.11	.06	Bobjo	2,000	.06½	.06½	.06	.06
1	.02½	.02	Bouscadillac G.M.	......	(.02 bid .03 asked)			
No	10.50	9.50	Bralorne	220	10.00	9.95	9.80	9.80
1	.03	.03	Brazil Gold	......	(.02½ bid .05 asked)			
1	.01½	.00½	Brett Trethewey	......	(.00½ bid .00½ asked)			
1	1.10	.71	Broulan Porc.	28,125	.87	.87	.82	.84
1	5.95	3.45	Buffalo Ankerite	705	3.60	3.60	3.45	3.50
No	.06	.02½	Buffalo Can.	11,500	.04½	.04	.03½	.04
5	19.00	16.00	Bulolo Gold	150	19.00	18.00	18.00	18.00
No	.02	.01½	Bunker Hill	......	(.01½ bid .03 asked)			

C

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
No	.59	.47	Can. Malartic	2,200	.56	.57	.54	.56
1	2.91	2.30	Cariboo Gold	200	2.70	2.55	2.54	2.54
1	.01	.01	Cartier Malartic	......	(.... bid .01 asked)			
1	.55	.50	Castle Trethewey	......	(.57 bid .65 asked)			
1	.07	.05	Cen. Cadillac	500	.06½	.05	.05	.05
1	.01½	.01½	Cen. Manitoba	......	(.... bid .... asked)			
1	1.95	1.65	Cen. Patricia	3,200	1.72	1.73	1.68	1.70
1	.17	.09	Cen. Porcupine	27,400	.16	.16½	.14	.15
1	.18½	.16	Century Mining	2,000	.16½	.16	.16	.16
1	1.74	1.24	Chesterville	11,156	1.35	1.35	1.24	1.30
No	.19	.12	Chromium	......	(.16½ bid .... asked)			
5	1.05	.90	Coast Copper	......	(.75 bid 1.15 asked)			
1	1.04	.68	Cochenour Willans	9,200	.77	.77	.68	.68
5	1.55	1.35	Coniagas	......	(1.41 bid .... asked)			
No	1.55	1.20	Coniaurum	700	1.35	1.30	1.25	1.26
5	39.50	34.00	Cons. Smelters	562	36.00	35.50	34.50	34.75

D, E

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	1.24	.87	Delnite	......	(.85 bid .95 asked)			
1	.03½	.02½	Denison Nickel	......	(.03 bid .03½ asked)			
No	25.00	21.75	Dome Mines	530	22.25	22.25	21.87	22.25
1	.02	.01½	Dorval Siscoe	2,500	.02	.02	.02	.02
1	.16½	.09½	Duquesne	5,000	.10½	.10	.09½	.09½
1	2.95	2.45	East Malartic	8,280	2.62	2.60	2.45	2.55
1	.52	.32	Eldorado	2,000	.36	.37	.35	.35

F, G

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
No	2.60	1.92	Falconbridge	500	2.40	2.31	2.30	2.30
1	.06	.03½	Federal	2,100	.04½	.04½	.04½	.04½
1	.06½	.02½	Fernland	1,500	.03	.03	.03	.03
No	.55	.35	Francoeur Gold	5,400	.40	.41	.38	.41
1	.04½	.03½	Gillies Lake	......	(.03½ bid .04 asked)			
1	.02	.01½	Glenora	......	(.01½ bid .02 asked)			
No	.39	.23	God's Lake	2,625	.28	.28½	.27	.28½
1	.16½	.11½	Goldale	3,100	.13	.12½	.12	.12
50c.	.29	.25	Gold Belt	......	(.25 bid .... asked)			
1	.10	.04	Gold Eagle	2,500	.04½	.04	.04	.04
1	.13	.05	Golden Gate	12,100	.07½	.08	.07	.07
1	.02	.00½	Goodfish	......	(.00½ bid .01 asked)			
1	.02½	.01	Graham Bosquet	14,500	.02	.02	.02	.02
No	.06½	.05½	Grandora	......	(.03 bid .06 asked)			
1	.01½	.01½	Grull Wihksne	......	(.... bid .04 asked)			
1	.38	.24	Gunnar Gold	7,100	.27	.26	.25	.26

H, I, J

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	.09½	.07½	Halcrow Swayze	5,080	.09	.09½	.09	.09½
1	.01½	.01	Haliwell Gold	......	(.01 bid .02 asked)			
1	5.40	4.95	Hallnor Mines	100	5.00	5.00	4.95	5.00
1	1.10	.75	Hard Rock	2,100	.79	.80	.75	.77
1	.08	.03	Harker	1,100	.03½	.03½	.03	.03½
1	.58	.50	Hedley Mascot	......	(.50 bid .... asked)			
5	13.12	12.00	Hollinger	885	12.75	12.87	12.50	12.75
1	.30	.24	Howey Gold	2,000	.25	.25	.25	.25
No	27.00	24.00	Hudson Bay	695	26.50	26.75	25.25	25.25
1	.33	.20	Inspiration	6,300	.33	.30	.25	.30
No	36.75	31.00	Int. Nickel	2,432	34.63	34.12	32.00	32.00
50c.	.90	.85	Island Mountain	3,000	.85	.90	.90	.90
1	.02½	.01½	Jacola	......	(.01½ bid .02 asked)			
1	.27	.13	Jack Waite	1,500	.16	.16	.13	.13
1	.46	.37	Jason Mines	3,200	.42	.40	.37	.37
1	.03	.01	Jellicoe	100	.02	.01½	.01½	.01½
1	.01½	.00½	J. M. Cons. Gold	......	(.00½ bid .01 asked)			
1	.01½	.01½	Joliet Quebec	......	(.01½ bid .01½ asked)			

K, L

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	3.95	3.05	Kerr Addison	14,385	3.80	3.80	3.50	3.50
1	.41	.30	Kerr Lake	......	(.32 bid 1.00 asked)			
1	.02	.01	Kirk. Gold Rand	......	(.02½ bid .05 asked)			
1	.42	.15	Kirk. Hud. Bay	4,750	.42	.42	.38	.40
1	1.05	.81	Kirkland Lake	5,150	.86	.85	.81	.82
1	.10	.07½	Kirk. Townsite	......	(.08 bid .10 asked)			
1	21.00	18.25	Lake Shore	495	18.75	19.00	18.75	19.00
1	5.15	4.20	Lamaque Gold	191	4.60	4.50	4.35	4.50
1	.12½	.06	Lapa Cadillac	2,700	.09½	.10	.09½	.09½
1	.02½	.01½	Lebel Oro	500	.01½	.01½	.01½	.01½
1	.60	.45	Leitch Gold	2,800	.49½	.50	.47	.47
No	2.06	1.60	Little Long Lac	3,500	1.80	1.77	1.60	1.65

M

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	4.30	3.45	Macassa	3,410	3.85	3.95	3.70	3.95
1	2.35	1.70	MacLeod Cockshutt	1,600	1.83	1.85	1.77	1.80
1	.70	.50	Madsen Red Lake	17,800	.65	.64	.59	.59
1	1.17	.90	Malartic Gold	33,825	1.02	1.02	1.00	1.00
No	.09	.05	Mandy	......	(.06 bid .08 asked)			
No	.01	.00½	Man. & Eastern	......	(.00½ bid .00½ asked)			
1	.04	.01½	Maralgo	......	(.01½ bid .04 asked)			
5	52.25	46.00	McIntyre	605	49.50	49.50	48.00	48.00
1	1.32	1.05	McKenzie R.L.	3,350	1.10	1.06	1.05	1.05
1	.09	.04	McVittie Graham	......	(.05½ bid .... asked)			
No	.25	.17	McWatters	2,000	.20	.20	.19	.20
5	•.39	.39	Mentor Exploration	......	(.... bid .49 asked)			
No	.83	.55	Mining Corp.	600	.82	.80	.76	.76
1	•.05	.05	Moffat Hall	......	(.01 bid .... asked)			
1	.55	.45	Moneta	1,600	.45	.46	.45	.45
1	.06	.02	Morris Kirk	8,500	.02½	.02½	.02½	.02½
1	.03½	.01	Murphy	......	(.02½ bid .03 asked)			

N, O

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	.31	.21½	Naybob	7,700	.26	.25	.24	.24
No	.02	.01	Newbec	500	.01½	.01½	.01½	.01½
1	.03	.03	New Golden Rose	......	(.01 bid .05 asked)			
5	1.18	.75	Nipissing	200	1.06	1.06	1.06	1.06
No	58.00	49.75	Noranda	1,509	55.25	55.00	53.00	53.00
No	.52	.30	Nor. Canada	......	(.30 Mar. 31)			
1	.04	.02½	Norgold	......	(.02½ bid .... asked)			
No	.40	.25	Normetals	1,400	.40	.40	.35	.35
1	5.00	5.00	Northern Empire	......	(4.75 bid .... asked)			
1	1.15	.60	O'Brien	1,300	.63	.68	.62	.68
1	.18	.10	Omega	5,900	.16	.16	.14	.14
1	1.09	.05	Osisko	....	(.06½ bid .... asked)			

P, Q, R

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
No	1.65	.90	Pamour	1,780	1.30	1.32	1.10	1.30
1	.08½	.04	Pandora	5,500	.05	.05	.04	.04
1	2.70	2.25	Pato Cons. G.	......	(2.60 bid 2.75 asked)			
1	.05	.02	Partanen Mal.	1,500	.04	.04	.03½	.03½
1	.01	.00½	Pawnee Kirk.	......	(.00½ bid .00½ asked)			
1	.28	.20	Paymaster	4,800	.22½	.21	.20	.20½
1	2.10	1.30	Pend Oreille	625	1.55	1.50	1.30	1.30
1	1.69	1.40	Perron Gold	4,400	1.51	1.50	1.40	1.40
1	3.00	2.51	Pickle Crow	2,615	2.65	2.65	2.51	2.51
1	2.35	2.05	Pioneer Gold B.C.	1,400	2.20	2.20	2.05	2.05
1	9.50	9.00	Placer Devel.	......	(.... bid 13.00 asked)			
1	1.04	.65	Powell Rouyn	1,300	.75	.72	.70	.70
1	.95	.85	Premier Gold	2,500	.90	.94	.90	.94
1	3.40	2.70	Preston E. Dome	20,395	3.00	3.05	2.85	2.90
No	.20	.20	Prospectors Air's.	......	(.15 bid .59 asked)			
1	.25	.20	Quebec Gold	......	(.22 bid .... asked)			
No	.05	.04	Quemont	......	(.03 bid .... asked)			
No	.03	.01½	Red Crest	......	(.02½ bid .04 asked)			
1	•.26	.15	Reeves McDonald	......	(.10 bid .... asked)			
1	.13½	.10	Reno Gold	100	.13	.10	.10	.10
1	.00½	.00½	Robb Montbray	......	(.... bid .... asked)			
1	.05	.03	Roche Long Lac	1,000	.04	.03½	.03½	.03½

S, T, U, V, W, Y

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	2.65	2.03	San Antonio	4,450	2.34	2.35	2.15	2.28
1	.07½	.04	Sand River	......	(.05 bid .06 asked)			
1	.59	.36	Senator Rouyn	29,750	.43	.44	.41	.43
1	.04	.01	Shawkey	1,000	.02	.01½	.01½	.01½
50c.	.88	.75	Sheep Creek	200	.80	.80	.80	.80
1	.87	.65	Sherritt Gordon	1,964	.70	.68½	.65	.67
1	8.90	7.00	Sigma Mines	......	(7.30 bid 7.75 asked)			
1	.69	.50	Siscoe	7,175	.62½	.62	.57	.57
1	.43	.22	Sladen Malartic	8,700	.24	.25	.22	.22½
1	.19½	.10	Slave Lake	5,500	.11	.11	.10	.10
1	.15	.08½	St. Anthony	1,500	.10	.10	.10	.10
No	1.78	.81	Steep Rock	10,250	1.09	1.08	.95	.97
No	.04½	.03½	Straw Lake	19,500	.03½	.04½	.03½	.04½
1	.24	.17	Sturgeon River	4,100	.21	.23	.18	.18
No	1.65	1.10	Sudbury Basin	300	1.20	1.15	1.10	1.10
1	.05½	.02	Sudbury Contact	......	(.... bid .04 asked)			
1	.66	.56	Sullivan Cons.	4,200	.60	.60	.58	.58
1	2.95	2.50	Sylvanite	1,300	2.65	2.60	2.50	2.55
1	3.75	3.00	Teck Hughes	2,293	3.10	3.10	3.00	3.05
1	.08½	.04	Temiskaming	......	(.04½ bid .05½ asked)			
1	1.80	1.50	Toburn Gold	125	1.65	1.65	1.60	1.65
1	.14	.08	Towagmac	200	.09	.08	.08	.08
No	.50	.25	Trans. Resources	500	.27	.27	.27	.27
1	.39	.16½	Uchi Gold	5,200	.18	.17	.16½	.17
	84.00	50.00	Do., Bonds	......	(50.00 bid 65.00 asked)			
1	2.28	1.27	Upper Canada	33,550	1.90	1.92	1.66	1.73
No	4.25	2.75	Ventures	990	3.60	3.40	3.20	3.20
No	4.20	3.00	Waite Amulet	272	3.40	3.30	3.00	3.00
1	.26	.15	Wendigo	1,400	.19	.22	.20	.22
1	.01½	.01	Wiltsey Coughlan	5,000	.01½	.01½	.01	.01
1	.10	.06	Wood Cadillac	8,500	.07½	.07½	.06½	.06½
No	7.05	5.45	Wright-Hargreaves	6,050	5.60	5.60	5.45	5.50
No	.08	.04	Ymir Girl	......	(.03½ bid .05 asked)			

Oil Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
No	.11½	.05½	Acme Gas & Oil	500	.06	.07	.07	.07
1	.09	.08	Alta. Pac. Cons.	......	(.07½ bid .... asked)			
1	.18	.11	Ajax	......	(.12½ bid .... asked)			
No	.81	.50	Anglo Canadian	4,100	.65	.61	.59	.59
No	.12	.07	Br. Dominion	1,000	.07	.07½	.07½	.07½
No	.10	.07½	Brown Oil	1,000	.08	.07½	.07½	.07½
No	1.49	1.10	Calgary & Ed.	2,075	1.15	1.20	1.12	1.12
1	.26	.18	Calmont	300	.20	.18	.18	.18
No	.26	.20	Commoil	......	(.18 bid .22 asked)			
No	.22	.19½	Common Pete	500	.20	.21	.21	.21
No	.32	.20	Dalhousie	......	(.25 bid .32 asked)			
No	.16½	.11½	Davies Pete	1,600	.13	.13	.12	.12
No	.05	.03	East Crest	3,000	.03½	.03	.03	.03
No	.16½	.13	Extension Oil	2,300	.14	.15	.13	.13
No	.30	.25	Federated Pete	500	.25	.25	.25	.25
25c.	.04½	.03	Firestone Pete	500	.03	.03½	.03½	.03½
No	.80	.50	Foothills	......	(.45 bid .65 asked)			
25c.	.08	.04	Foundation Pete.	2,000	.05	.04½	.04	.04½
No	•.18	.05	Hargal	......	(.... bid .20 asked)			
No	.15	.08	High Sarcee	......	(.... bid .12 asked)			
No	2.55	1.65	Home	5,180	1.80	1.76	1.65	1.69
1	.02	.01½	Homestead O. & G.	3,000	.01½	.02	.02	.02
No	.08	.05	McD. Segur	2,000	.06	.05½	.05½	.05½
1	•.30	.16	Model	......	(.... bid .... asked)			
25c.	.06	.03½	Monarch Royalties	......	(.... bid .05 asked)			
25c.	.05	.05	National Petroleum	......	(.05½ bid .... asked)			
1	.06	.03	Nordon	6,000	.05½	.06	.55	.05
No	.02½	.01½	Oil Selections	2,000	.01½	.02	.02	.02
No	.78	.50	Okalta	3,200	.53	.55	.50	.55
No	.04	.02½	Pacalta	1,000	.03½	.03	.03	.03
1	.27	.15	Pacific Petroleum	......	(.10 bid .... asked)			
No	.30	.30	Petrol Oil & Gas	......	(.25 bid .50 asked)			
25c.	.09	.04	Prairie Royalties	3,200	.06	.05½	.05	.05½
No	22.00	16.50	Royalite	49	18.00	17.50	16.50	17.00
No	.30	.23	South West Pete.	......	(.... bid .25 asked)			
No	.02½	.01	South End	......	(.01½ bid .02 asked)			
5	1.25	.95	Texas Can.	......	(1.00 bid 1.25 asked)			
No	.04½	.03½	United Oils	......	(.03 bid .04 asked)			
1	.02½	.01½	Vermilata	......	(.01 bid .... asked)			
1	.34	.25	Vulcan	500	.34	.27	.27	.27
No	.02	.01½	West Flank	......	(.02 bid .02½ asked)			

Vancouver Stocks

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
No	....	....	Bayonne	......	(.03 bid .06 asked)			
1	.05	.04	Big Missouri	......	(.04 bid .... asked)			
No	10.40	9.50	Bralorne	155	10.00	10.00	9.70	9.70
1	.00½	.00½	Bridge River Cons.	......	(.... bid .01 asked)			
1	2.91	2.25	Cariboo Gold	100	2.65	2.54	2.54	2.54
No	.01½	.00½	Dentonia	9,000	.01	.01½	.00½	.01
No	.01½	.00½	Fairview Amal.	......	(.01 bid .01½ asked)			
1	.15	.15	George Copper	150	.15	.15	.15	.15
1	.08½	.03½	Golconda	500	.08½	.06	.06	.06
50c.	.32	.25	Gold Belt	1,000	.26	.26	.25	.26
50c.	.15½	.10	Grandview	400	.15	.12	.12	.12
1	.02½	.01	Grull Wihksne	2,000	.01½	.01½	.01½	.01½
1	.60	.45	Hedley Mascot	1,200	.59	.55	.53	.55
No	•.00½	.00½	Home Gold	......	(.00½ bid .00½ asked)			
1	.01	.01	Indian Mines	......	(.00½ bid .01 asked)			
50c.	.95	.75	Island Mountain	350	.87½	.95	.95	.95
1	.33	.27	Inter'l Coal	500	.28	.32	.32	.32
50c.	.28	.15	Kootenay Belle	100	.28	.25	.25	.25
1	.25	.20	McGillivray Creek	5,000	.20	.21	.21	.21
No	.02½	.00½	Minto Mines	1,000	.01½	.01½	.01½	.01½
50c.	.00½	.00½	Nicola	......	(.00½ bid .... asked)			
1	.05	.03½	Pacific Nickel	......	(.04 bid .... asked)			
1	2.00	1.40	Pend Oreille	50	1.65	1.45	1.45	1.45
1	2.25	2.00	Pioneer Gold	300	2.15	2.05	2.05	2.05
50c.	.01½	.01	Porter Idaho	......	(.... bid .01 asked)			
No	.03½	.01½	Premier Border	4,000	.02½	.02½	.02½	.02½
1	.95	.85	Premier Gold	1,600	.92	.92	.90	.91
No	.63	.45	Privateer Mines	6,000	.49	.48½	.46	.48
1	.02½	.01½	Quatsino Copper	......	(.... bid .03 asked)			
1	.20	.10	Reeves McDonald	......	(.10 bid .... asked)			
1	.03	.02½	Relief Arlington	......	(.... bid .02 asked)			
1	.13	.10	Reno Gold	500	.11½	.10½	.10½	.10½
1	•.06½	.04	Sally Mines	......	(.... bid .... asked)			
50c.	.02½	.01	Salmon Gold	......	(.... bid .... asked)			
50c.	.88	.75	Sheep Creek	......	(.75 bid .85 asked)			
1	.80	.65	Silbak Premier	......	(.66 bid .80 asked)			
No	.00½	.00½	Silvercrest	......	(.... bid .... asked)			
1	•.05	.05	Sunloch	......	(.... bid .... asked)			
50c.	.15	.10½	Surf Inlet	......	(.10 bid .15 asked)			
No	.02	.02	Taylor Bridge	......	(.02½ bid .... asked)			
20c.	.00½	.00½	Wellington	3,000	.00½	.00½	.00½	.00½
50c.	•.00½	.00½	Wesko	......	(.... bid .00½ asked)			
1	.02	.00½	Whitewater	......	(.00½ bid .... asked)			
No	.08	.06	Ymir Yankee Girl	......	(.04½ bid .... asked)			

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Apr. 7 (or last)	High for week	Low for week	Close Apr. 14
1	.09½	.07	Alta. Pac. Cons.	......	(.07½ bid .09 asked)			
1	.00½	.00½	Amalgamated	......	(.00½ bid .00½ asked)			
No	.83	.57	Anglo Canadian	1,100	.63	.60	.60	.60
No	.08½	.04	Anaconda	......	(.04 bid .05½ asked)			
No	.07	.07	Brit. Dominion	......	(.05 bid .... asked)			
No	•.18½	.06	Brown Oil	......	(.... bid .07½ asked)			
No	1.50	1.10	Calgary & Ed.	1,500	1.14	1.12	1.10	1.10
1	.26	.18	Calmont	......	(.18 bid .22 asked)			
No	.25	.19	Commoil	1,000	.21	.19	.19	.19
No	.21	.19	Commonwealth	1,000	.19	.21	.21	.21
No	.30	.22	Dalhousie	......	(.25 bid .... asked)			
No	.15½	.13½	Davies Pete	......	(.14 Apr. 4)			
No	.04	.02	East Crest	300	.04	.02	.02	.02
No	.17	.13	Extension	3,000	.13½	.13½	.13	.13½
No	.36½	.25	Federated Petroleum	......	(.25 bid .30 asked)			
25c.	.04½	.04½	Firestone	......	(.... bid .03 asked)			
No	.60	.50	Foothills	......	(.50 bid .... asked)			
25c.	.06½	.06½	Foundation Pete	......	(.... bid .... asked)			
No	•.12	.08½	Four Star	......	(.... bid .... asked)			
No	.15	.09½	High Sarcee	......	(.08 bid .... asked)			
No	2.35	1.70	Home Oil	1,950	1.85	1.86	1.70	1.70
No	.01½	.01½	Madison	......	(.01 bid .01½ asked)			
No	.01½	.01	Marjon Oil	300	.01½	.01	.01	.01
No	.07	.05	McD. Segur Ex.	5,000	.05½	.05½	.05½	.05½
No	.05	.04	Mercury	......	(.04½ bid .05 asked)			
No	.05	.04	Mill City Pete	......	(.04 bid .05 asked)			
1	.19	.14	Model	1,500	.16	.14	.14	.14
25c.	.07	.03½	Monarch Royal.	......	(.... bid .03½ asked)			
25c.	.05½	.04½	National Pete	......	(.04½ bid .... asked)			
1	•.05	.04	Nordon	......	(.04½ bid .... asked)			
No	.75	.50	Okalta	......	(.50 bid .... asked)			
No	.04	.04	Pacalta Oil	......	(.... bid .... asked)			
1	.26	.20	Pacific Petroleums	......	(.... bid .31 asked)			
25c.	.08	.05	Prairie Royal	800	.05	.05	.05	.05
No	.15	.08	Royal Canadian	7,500	.09	.09	.08	.08½
No	•.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	22.00	17.50	Royalite	35	17.50	17.50	17.50	17.50
No	•.07½	.03	South End	......	(.... bid .... asked)			
No	.25	.25	Southwest Pete.	......	(.... bid .... asked)			
1	.05½	.02½	Spooner	100	.04	.02½	.02½	.02½
25c.	.14	.12	Sunset Oil	......	(.09 bid .... asked)			
No	.04½	.03	United	3,500	.03½	.03	.03	.03
No	.04½	.04½	Vanalta	......	(.03½ bid .... asked)			
1	.38½	.20	Vulcan	700	.27	.28	.27	.28
No	•.05	.02	West Flank	......	(.02 bid .02½ asked)			

* Quotations for 1940.

Winnipeg Stocks

(Transactions from Apr. 7 to Apr. 12)

	Sales	High for period	Low for period	Close Apr. 12
Crescent Creamery, pref.	10	11.75	11.75	11.75
Federal Grain, pref.	25	30.00	30.00	30.00
United Grain Growers	22	9.50	9.50	9.50
Western Breweries	50	1.75	1.75	1.75
Western Steel	15	8.75	8.75	8.75
Wingold	7,500	.09	.08½	.08½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	5
Beav. Lumber, p	102	105
Can. Airways	1	..
Can. Indemnity	150	..
Dom. Envelope, c	8½	..
Dom. Envelope p	92½	97½

	Bid	Asked
Fed. Grain, c.	.50	..
Home Invest.	14	..
Nor. Can. Mtg. p.	5	..
North. Trusts	7	..
Traders Bldg.	43	..
West. Grain, p.	..	9
Wings	.15	.75

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 15	7,200	5,400	145,000	......
Apr. 14		Holiday		
Apr. 12	4,130	[illegible]	[illegible]	1,300
Apr. 11		Holiday		
Apr. 10	6,000	18,400	108,000	20,450
Apr. 9	8,000	8,500	191,000	18,725

Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

Apr. 16, 1941

%	Due	Bid	Ask	Approx. Yld.
5	Nov. '41	102¼	102¼	.78
1½	May '42	100¼	100¾	.85
2	June '42	100¾	101¼	.80
3	Oct. '42	102¾	102¾	1.08
2½	June '43	102	102¾	1.19
5	Oct. '43	107¾	108¾	1.47
2	June '44	101	101¾	1.42
a2½	Jan. '44	94¾	96¾	3.80
4½	Oct. '44	108¾	109¼	1.80
2½	Nov. '44	102¼	103	1.63
a2½	Aug. '45	92¾	94¾	4.02
4	Oct. '45	105¼	105¾	b1.60
4½	Feb. '46	109¾	110¼	2.18
3½	June '49	102¾	103¼	b2.52
3½	Oct. '49	103	103¾	b2.39
3½	Nov. '51	101	101¾	b3.00
3½	Feb. '52	101¼	102	b2.92
a5	May '52	99¼	‡100¼	b4.50
4	Oct. '52	105¾	106¼	b2.91
3	Oct. '52	98¾	99¼	3.07
3	June '55	98¼	99¼	3.07
4½	Nov. '56	107¼	108¼	b2.89
4½	Nov. '57	108	108¾	b3.01
3	June '58	98	98¾	3.09
4½	Nov. '58	108¾	109¼	b3.08
4½	Nov. '59	109¼	110¼	b3.13
a4	Oct. '60	91¾	93¾	4.55
a3½	Jan. '61	83¾	85¼	‡4.37
3½	June '66	100¼	101	b3.17
a3e	Jan. '67	81¼	82¾‡	4.08
a3e	Nov. '68	81¼	82¾‡	4.03
†3	Perpet'l.	90¾	91¼	3.28

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask	Approx. Yld.
2	Feb. '43	100¾	101¼	1.17
2½	Jan. '46	100¼	101¼	1.92
3	May '44	103	104	1.65
3	Dec. '50	98¾	99¾	3.03
3	Feb. '53	97¾	98¾	3.12
3	Jan. '59	96¾	97¾	3.17
*4½	Sept. '51	113¼	114¼	2.89
*4½	Feb. '56	113¾	114¾	3.25

%	Due	Bid	Ask	Approx. Yld.
4½	July '57	114¼	115¼	3.27
*4½	June '55	116	117	3.27
5	Feb. '54	116¼	117¼	3.33
*5e	July '69	113¾	114¾	b1.80
*5e	Oct. '69	117¾	118¾	b3.00
*5e	Feb. '70	117¾	118¾	b3.11
Grand Trunk Pacific Rly.:				
3	Jan. '62	97¼	98¼	3.10

Provincial Gov't. Bonds

%	Due	Bid	Ask	Approx. Yld.
New Brunswick:				
3	Oct. '51	87	89	4.31
3½	Aug. '49	90	92	4.40
3½	June '56	88	90	4.40
c4	Nov. '47	96¼	98	4.35
c4½	Apr. '61	98	99¼	4.54
c5	Jan. '60	103	105	4.60
Nova Scotia:				
3	Jan. '52	93	94¼	3.61
3½	June '56	93	94¼	3.72
3½	Nov. '50	97	98¼	3.68
c4½	Sept. '52	106	107	b3.31
c4½	Nov. '60	107	110	3.78
c5	Mar. '60	114	116	3.83
Ontario:				
2½	May '45	99¼	100¼	2.36
3	Apr. '48	98¾	99¾	3.04
3	Nov. '50	98¼	99¼	3.06
3½	Nov. '51	100¼	101¼	b3.08
3½	May '55	100	101	b3.14
*4	June '62	106	108	3.47
4½	June '50	108¾	109¾	3.26
*4½	Jan. '62	112¾	114¾	3.50
5	Oct. '48	111	112	3.20
*5	Dec. '60	119	121	3.53
5½	July '46	111¼	112¼	2.91
Ont. Hydro Commission:				
3	Aug. '48	98¾	99¾	3.04
3½	Feb. '51	100	101	b3.12
3½	Apr. '47	101¾	102¾	3.00
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	94	95	3.87
3½	Mar. '48	95¼	96¼	3.87

%	Due	Bid	Ask	Approx. Yld.
3½	Mar. '59	91¾	92¾	4.07
3½	Feb. '55	96	97	4.04
4	Mar. '52	98¼	100	4.00
4½	Aug. '58	100	102	4.09
4½	Jan. '63	101	104	4.22
Alberta:				
4	Dec. '54	52	56	d
4½	Oct. '51	65¼	69¼	d
c4½	Oct. '56	54	58	d
*5	Oct. '59	56	60	d
c5½	Apr. '52	62	66	d
6	Mar. '47	66	70	d
British Columbia:				
c4	Dec. '57	96	100	4.00
*4½	Jan. '51	99	103	4.13
c4½	Oct. '53	99	103	4.20
c5	Apr. '54	102	106	4.40
5½	Feb. '45	101	105	4.13
6	Feb. '47	104	108	4.46
Manitoba:				
c4	Dec. '57	86	90	4.87
c4½	Dec. '56	89	93	5.15
*5	Dec. '59	92	96	5.34
5½	Oct. '55	92¼	96¼	5.85
6	Apr. '47	94¼	98¼	6.30
Saskatchewan:				
4	Sept. '54	67	71	7.49
4	Nov. '60	66	70	6.75
c4½	Oct. '51	80	84	6.63
c4½	Mar. '60	69	74	7.00
5	Aug. '58	74¼	78¼	7.18
5½	Oct. '52	76	81	8.06
6	Mar. '52	83	88	7.63

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Apr. 15, 1941

Industrials:	Bid	Ask.
Acme Farm. D.	37	40
Andian National	26	27¼
Anglo C. Tel., A	8	8¼
Atlas Steel	21	25
Barrymore, pfd.	28	..
Blue T. Brew. A	9	10
Do., B	6¼	7¼
B. C. Pulp, c.	10¼	12¼
Do., pfd.	57	63
B. C. Sugar	72	75
B. C. Tel., 1st p.	110	114
Burns & Co., A	3	4¼
Do., B	2	3¼
Can. Co-op. Wl.	8	..
C. I. L., A c.	195	..
Do., pref.	169	172
Can. Ing. Rand	77	82
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p	89	..
Can. West'ghouse	44	46¼
Chase, A. W., p.	18	20
Claude Neon, p.	5	6
Colonial Steam.	13	15¼
Copeland Fl. un.	14	16
Dom. Manuf., p.	60	65
Dunlop T. p. $25	23¼	24¼
East. Steel, pf.	20	23
Easy Wash. p $10	10	12
Goderich Elev.	7	8
Guelph Carp., c.	20	23
Gurney Fdry., p	1	1¼
Hayes Steel, c.	9	10
Hi'land Dairy, p	48	54
Homewood San.	100	120
Kingst. Ship. un	26	30
Loblaw Inc., c.	11	12¼
Minn.&Ont. P. c	2¾	3¾
M'row Screw, p.	99	..
Do., com.	10¼	12
Moirs, pfd.	18	..
Mt. Royal H., c.	2¼	..

	Bid	Ask.
Morrison Br. un.	4	6
N. B. Tel., c.	10¼	12¼
Neilson, Wm., c.	10	..
Do., pfd.	100	..
N. Meth. Ldy. p	54	57
Ont. Tobacco, p	17¼	21
Pac. C. Term., c.	9	10¾
Paterson, Wm. p	103	..
Prov. Paper, pfd	105	106¼
Ruddy, E. L., p.	23	26
Stand. Fuel, p.	60	64
Stedman, pf. $50	56	58
Tor. Carpet, c.	37	..
Do., pfd.	63	67
Un. F. Co-op.	2¼	3¼
Un. Steel, A pf.	22	23¼
Viceroy Mfg., p.	23	..
Do., com.	12	..
Westons Hold.	2¾	..
Trusts & Loan Stocks:		
Brit. Mtge.	122¼	132¼
Brockville Tr.	40	..
Capital Tr.	28	32
Com. Fin., c.	2¾	3
Grey & Br. Tr. $50	41	46
Guaranty Trust	102	105
Guelph & O. $50	51	54
Indust. Mtge.	24¼	..
Lambton Loan	30	33
London & West.	34	37¼
Midland Loan	14	16
Premier Trust	61	66
Sherbrooke Tr.	120	..
Sterling Trust	57¼	..
Traders Fin. A c	7	9
Do., A pfd.	85	88
Trusts & Gr. new	50	52¼
Victoria Trust	73	80
Waterloo Tr.	100	..
Insurance Stocks:		
Canada Life	390	415
Brit. Amer.	50	55

	Bid	Ask.
Canadian Fire	81	85
Confed. 30% pd.	135	140
Continental L.	35	..
Crown, fully pd.	255	267
Dominion Fire	138	..
D. of Can. Gen.	110	120
Empire, 25% pd.	6¼	7
Excelsior 38% pd	70	..
Federal, 25% pd.	52	..
Great-West Life	200	210
Halifax Fire	15¼	18¼
Imperial Life	295	310
Manufac. Life	225	240
Monarch Life	32	..
National Life	24¼	28
Sov. L. 25% pd.	11¼	12¼
Sun Life	300	315
Tor. General	5	8¼
Wellington Fire	58	..
Western Assce.	40	44
Theatre Stocks:		
Allen's King., p.	61	..
Do. St. Cath. p	52	..
Mansf. Theat. p.	28¼	30¼
Para. Kitch., p.	52	..
Do., Oshawa c	8¼	10¼
Investment Trust Shares:		
Can. Investors	5	6
Inv. Found. un.	40	45
Sec's Hold., pf.	18	21
United Corp., A	18¾	21
Do., B	4¼	5¼
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	104¼
Gt. Lakes Pr., p	102	104
Int. Ut., $1.75 p.	14	..
Do., $3.50 p.	33	..
Mtl. Is. Pwr., p.	38	..
Nor. Ont. Pr., p	73¼	78¼

Unlisted Mines

Toronto, April 15, 1941

	Bid	Ask
Acordia	.20	.23
Addington	.00½	.01½
Albany River		
(Old)	.05	.07
(New)	.12	.16
Amal Kir	.07	.08
Anoki	.03	.03½
Aquarius	.20	.23
Arjon	.03½	.04½
Armistice	.08	.09
Argosy	.06½	.07½
Area	.03½	.04
Athona		
(Old)	.01½	.02½
(New)	.02	.03
Barb Lard	.01¾	.02½
Bilmac	.01½	.02
Bonetal	.45	.48
Brock	.37	.39
Buf Bear	..	.04
Calder Bo	.02¾	.03
Central	.02½	.03
Cheminis	.02½	.03
Coin Lake	.03½	.04
Cons Chib	.05	.07
Crescent	.00½	.01
Dayton	.01	.02
Demp Cad	.00¾	.01½
Desants n	.16	.20
Dona Pat	.01½	.02

	Bid	Ask
E Lacoma	.00½	.01
Elmos	.06	.08
Franco	.15	.22
Galore	.01	.02
Gan Cop	.08	.09
Gate Pat	.00¾	.01½
Gilbec	.00¾	.01½
Gord Leb	.00½	.01½
Highridge	.11	.13
Hoyle nw	.25	.27
Hugh PaP	.07	.08
Hutch Lke	.00¾	.01½
Jasper	..	.16
Keora	.02½	.03
Kenricia	.01½	.02
Kewagama	.01	.02
Kiena	.01½	.03
Kirk Gate	.01	.02
Lacoma	.01½	.01¾
Laguerre	.13	.16
Lake Duf	.16	.18
Lake Gen	.03¾	..
Lardego	.00½	.01
Lw Pete	.14	.16
Magnet C	.80	.84
Magnet L	.18	.21
Magwell	.01½	.02½
Manik'u	1.50	2.00
Martin Bir	.03	.03½
Margaret	.09	.10

	Bid	Ask
Mata Can	.02¾	.03½
Mata Con	.16	.20
McLellan	.20	.22
McMar'ac	.36	.39
MofHal n	.02	.03
Monarch	.01	.02
Mooshla	.01½	.02
Mosher	.04½	.05
McGregor	.01½	.02½
McManus	.02	.03
Nat Mal	.28	.31
Negus	.65	.75
New Aug	.24	.26
New Roy	.00½	.01
Nickel O	.80	.95
Norbeau	.16	.22
Northland		
(1940)	.04	.06
Norwin	.04	.07
Numalake	.13	.15
Oklend	.04	.04¾
O'Leary	.01½	.02½
Ont Nickel	.07	.08
Opemiska	.02½	.03½
Oriole	.01	.01½
Orpit	.08½	.09½
Pascalis	.32	.35
Pontiac R		
(Old)	.02	.03¾
Pelangio	.01½	.02½

	Bid	Ask
Phoenix	.01½	.02½
Polaris	.07	.09
Propri'y	2.55	2.70
Presdor	.04½	.05
Queb Man	.06	.08
Rahn Lake	.00½	.01½
Rand Mal	.08	.10
Red Lake	.01½	.02
Sachigo	2.25	2.75
Sanshaw		
Special	.07	.09
Mines L	.04	.07
Senore	..	.09
Shenango	.02	.02½
Sheldon	.04½	.06
Siscoe Ex	.01½	.02½
Skynner	.05	.06
Smelters G	.00¾	.01½
Spooner	..	.02½
Sunbeam	.02	.03
Springer	.17	.19
Stadacona	.05½	.07
Thomson	.11	.13
Thomp Cd	.01	.02½
Treaty Pt	..	.12
Union Min	.03½	.04
Wasu	.04	.06
West Red	.02½	.03½
Woco	.02	.03
Y David'n	.21	.23

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

April 15, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 15	Asked Apr. 15	Bid Apr. 8
▲‡Alg. C. H.B.R.	5	'59	5¼	7¼	6¼
†Assoc. Tel & T.	5½	'55	71	74	72
B. C. Power	4½	'60	98¼	100¼	98¼
B. C. Tel.	4½	'61	106¼	108¼	106¼
†Calgary Pwr.	5	'60	105	107	105¼
Do.	5	'64	102	...	103
†Can. Nor. Pwr.	5	'53	101¼	103¼	101¼
*Dom. Gas & El.	6½	'45	101	103	101¼
Gatineau Pwr.	5	'49	100	102	100¼
*Do., A	3¾	'69	96	98	96¼
♦Do., B	3¾	'69	96	98	96¼
Gt. Lakes Pwr.	4½	'56	98¼	100¼	99¼
Do.,	5	'57	95	98	96¼
*Int. Hydro-E.	6	'44	54	57	54¼
♦Inter. Power	6	'55	101	...	101
L. St. Law Pwr.	5	'53	98¼	100¼	98¼
Macl'n-Que. Pr.	4	'59	96	98	96¼
Mtl. L. H. & P.	3½	'56	100	102	100
Do.,	3½	'73	96	98	96
Do.	3½	'63	97	99	97¼
†Mtl. Tramways	5	'41	92	94	92¼
†Do.	5	'55	60¼	63¼	62
Nat. Lt. & Pwr.	6	'49	100¼	102¼	100¼
N. S. Lt. Pr.	4	'57	101	103	101
Ottawa L.H.&.P.	4	'57	101	103	101
Ottawa V. Pwr.	5	'59	102¼	104¼	102¼
†Power Corp.	4½	'59	95¼	97¼	95
Quebec Pwr.	4	'62	100	102	100¼
*Saguenay P., A	4½	'66	109	...	109
♦Do., B	4½	'66	105	107	105¼
St. Maurice Pr.	4½	'70	100	102	100¼
Shaw. W. & Pr.	4	'61	100¼	102¼	100¼
Do.	3½	'46	100¼	102¼	100¼
Do.	4	'69	100	102	100
Union Gas	4½	'50	102¼	104¼	102¼
*Twin C. R. Tr.	5½	'52	65¼	68¼	66
†United Secs.	5½	'52	48	52	..
‡Wpg. El., ser. A	5	'65	65¼	68¼	66¼
Do., B	5	'65	47¼	50¼	48¼
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	63	66	64¼
Do., C.O.D.	5	'53	60	63	61¼
Acadia Sugar	4½	'55	102¼	104¼	102¼
Do.	6	'54	96	99	97
†Alta. Pa. Grain.	6	'46	98	100	98
Algoma Steel	5	'48	102¼	104¼	102¼
Atlantic Sugar	4	'51	100¼	102¼	100¼
†B. C. P. & Pap.	6	'50	84¼	87¼	85
†‡Do.	7	'50	109	...	106¼
*Brown Co.	5½	'46	48	51	50¼
Burns & Co.	5	'58	56	59	57
Canada Bread	6	'41	100	102	100
Canada Cement	4½	'51	104	106	104
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	101	103	101
Can. Steamships	5	'57	98¼	100¼	98¼
Can. Canners	4	'51	100¼	102¼	100¼
*Can. Int. Paper	6	'49	103¼	105¼	103¼
‡Can. Locomotive	6	'53	85	88	87¼
‡†Candn. Vickers	6	'47	51	54	51
C. P. R.	3½	'51	91	93	91¼
Do.	4	'49	95¼	97¼	95¼
Do.	4½	'44	99¼	101¼	99
Do.	6	'42	102¼	104¼	102¼
Col. Steamships	6	'54	96	99	95
†Consol. Paper	5½	'61	63¼	65¼	64¼
Dom. Coal	4½	'52	101	103	101¼
Dom. Scott. Inv.	4	'52	96	99	96
Dom. Stl. & Co.	6½	'55	105¼	107¼	106
Dom. Tar	4½	'51	101¼	103¼	101¼
Dom. Woollens	6	'53	92	95	94¼
†Donnacona P.	4½	'56	71	74	72¼
*Dryden Pap.	6	'49	99	102	99
‡Dufferin Pav.	5	'55	54¼	57¼	55
†East. Dairies	6	'49	77¼	80¼	78
Famous Players	4½	'51	99	101	99
†Federal Grain	6	'49	98	100	98
†Fraser Cos.	6	'50	98	100	98
Galt Brass	5	'50	90	..	90
Gen. Stl. Wares	4½	'52	100	102	100
*Great L. Paper	5	'55	90¼	93¼	91¼
*Gurney Fdry.	5½	'49	69	72	69
†Gypsum, Lime	5½	'48	98¼	100¼	98¼
Ham. By-Pr., C.	5	'55	102	104	102¼
Do.	6	'56	100¼	102¼	100¼
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101¼	...	101¼
Indust. Accept.	4	'52	82	85	82
Ins. Ex. Bldg.	3	'31	42	45	42
*Inter. P., Nfld.	4½	'68	88	91	88
*Inv. Bond & Sh.	5	'47	48	51	48
†Kingston Elev.	6	'50	104¼	106¼	104¼
Lake St. J. P.	5½	'61	86	89	88¼
Do.	5	'61	56¼	59¼	57
Legare	6	'61	86¼	89¼	86¼
Maple Leaf M.	3	'58	69¼	72¼	69¼
Man. Sugar	6	'90	96	98	96

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

April 15, 1941

Miscellaneous Stocks:	Bid Apr. 15 $	Asked Apr. 15 $	Bid Apr. 8 $
Adirondack Fdry. S., c.	10	11¼	10¼
†Allens Tor. Th., p.	32¼	35	32
Brown & Co., c.	¾	1¼	1
Can. Tube & Stl., c.	3¾	4	3¼
Cons. Divers. S. Se's., p	7¾	9¾	7¾
Corrug. Paperbox, c.	¼	¾	¼
Dover Industries	7	7¾	7
East. Bake., p.	25	30	25¼
†Ft. Wm. Hotel, units	43	50	43
Galt Brass, c.	8	9¾	8
Imperial Varnish, c.	8¼	9¼	8¾
Ingram & Bell, new p.	79¼	86	79
Inter. Equities, units	25¼	30	25¼
*Loew's Buffalo Th., p.	6	..	6¼
Loew's Lond. Th., p.	2¾	3	2¾
Mersey Paper, c.	4¼	5¼	4¼
*Midland Prop's., Inc., p.	6	..	6¼
*Moirs, 6% pref.	18¼	20¼	18¼
*Mt. Royal, old p.	3¾	4¼	3¾
Murphy Paint units	98¼	100	99
Nat. Hosiery com.	¾	1	¾
Niag. L. Arch Br.	37	41¼	37
†N. Amer. Elev., p.	65¼	70	65
Sutton Horsley	1	1¼	1
Traders Fin., rights	12¾	14	12¾
Waterloo Mfg., new	1	1¼	¾
*Wentw. Radio, pref.	2¼	..	2¼
West Can. Hydro, p.	11¼	12¾	11¼
West Life, 10% pd.	8¼	10	8¼

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Apr. 15	Asked Apr. 15	Bid Apr. 8
Massey-Harris	4½	'54	92¼	95¼	92¼
McColl-Fron.	4½	'49	101¼	103¼	101¼
McCormick's	4	'52	96¼	98¼	96¼
Do.	4½	'52	103	...	103
Mercury Mills	5	'59	91	94	92
Mersey Paper	5	'57	96	99	97
†Do.	6	'49	99	..	99
*M. & O. Paper	6	'45	50¼	53¼	52
Moirs Ltd.	6	'33	54	..	54
‡Mtl. Drydocks	6	'48	40	43	40
Montreal Apts.	4	'54	58¼	..	58¼
Nat. Grocers	4	'47	101	103	101
N. S. Stl. Coal	3½	'63	83¼	86¼	84
Price Bros.	5	'57	94¼	97¼	95¼
Do.	4	'57	83¼	86¼	83¼
*Prov. Paper	5½	'47	105	...	105
Reliance Grain.	4½	'52	93	96	93
†Restigouche Co.	6	'48	97	100	98
Rolland Paper	4½	'51	103	105	103
Ruddy, E. L.	6½	'48	100¼	102¼	100¼
Silv. Dairies	6	'66	90¼	93¼	92
Simpsons Ltd.	4½	'51	99	101	99
Smith, Howard.	4½	'51	104	106	104
Stand. Lime	6	'44	97	..	97
Sterling Coal	6	'45	96	99	96
Stop & Shop	3	'47	57	60	57
United Corp.	5	'53	90	93	90
*United Gas	5½	'48	104	106	104¼
United Gr. Grs.	5	'48	95¼	97¼	95¼
†Western Grain	6	'49	55	58	..

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Municipal Bonds

April 15, 1941

†Halifax	5	1961	109.00	110.50	4.22
Hamilton	5	1950	109.00	111.00	3.55
Montreal	5	1945	93.50	95.00	6.49
Ottawa	4½	1945	104.50	106.50	2.90
†Quebec	5	1959	105.50	107.00	4.44
Saint John	5	1960	105.00	106.50	4.17
†Toronto	4½	1955	110.20	112.20	3.40
†Vancouver	5	1950	98.00	101.00	4.86
Winnipeg	5	1944	101.00	104.00	3.61

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.22	2.43
Can. Amer. Trust	2.65	3.10
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.15	3.50
Grouped Income	...	5.00
Trans-Canada	9.70	10.50

Annual Meetings

1941	Company	Place
Apr. 21	Candn. Fairbanks-M.	Montreal
Apr. 21	Penmans Ltd.	Montreal
Apr. 22	Cons. Bakeries	Westmount, P.Q.
Apr. 22	Saguenay Pwr. Co.	Montreal
Apr. 23	Coast Copper Co.	Trail, B.C.
Apr. 23	Sunloch Mines	Trail, B.C.
Apr. 24	Consol. Min., Smelt.	Montreal
Apr. 24	Osisko Lake Mines	Toronto
Apr. 24	Regent Knitting Mills	Montreal
Apr. 25	Fam. Players Candn.	Toronto
Apr. 28	Coniaurum Mines	Toronto
Apr. 28	Cons. Diversified St.	Montreal
Apr. 28	Enamel & Heat.	Sackville, N.B.
Apr. 28	Imperial Oil	Sarnia, Ont.
Apr. 28	Third Can. Gen. Inv.	Toronto
Apr. 28	McKenzie R. L. Gold	Toronto
Apr. 28	Sullivan Cons. Mines	Montreal
Apr. 29	Anglo-Norwegian Hold.	Montreal
Apr. 28	Claude Neon Gen. Adv.	Montreal
Apr. 29	Coniagas Mines	Toronto
Apr. 29	Candn. Malartic Gold	Toronto
Apr. 29	Eastern Theatres	Toronto
Apr. 29	Hamilton Bridge	Hamilton
Apr. 29	McWatters Gold M.	Toronto
Apr. 29	Noorduyn Aviation	Montreal
Apr. 29	Price Bros. & Co.	Quebec, P.Q.
Apr. 29	Sturgeon R. Gold M.	Toronto
Apr. 30	Can. Iron Foundries	Montreal
Apr. 30	Intl. Nickel Co.	Toronto
Apr. 30	Pascalis Gold Mines	Toronto
Apr. 30	United Amuse. Corp.	Montreal
Apr. 30	Western Grocers	Winnipeg

Mining Dividends

	Rate	Close Apr. 14	Yield %
Anglo-Huronian	‡10c	2.35	..
Armor Gold	▲8c	1.70	..
Beattie Gold	‡16c+2c	1.05	*17.1
Bralorne	80c+40c	9.80	*12.2
Broulan Porc.	12c	.84	14.3
Buffalo Ankerite	▲10c	3.50	..
Bulolo Gold	$3	18.00	16.6
Can. Malartic	8c	.56	..
Cariboo Gold	16c+8c	2.54	*9.4
Central Patricia	16c+4c	1.70	*11.8
Chesterville	5c	1.30	..
Cochenour Willans	3c	.68	..
Coniagas	‡25c	1.50	..
Coniaurum	‡16c+2c	1.26	*14.3
Cons. Smelters	$1+$1.25	34.75	*6.5
Delnite	†6c	.95	6.3
Dome Mines	$2	22.25	9
East Malartic	‡30c	2.55	11.8
Falconbridge	5c	2.30	..
Francoeur Gold	†3c	.41	..
God's Lake	‡2½c	.28½	..
Goldale	‡2c	.12	..
Gold Belt	‡4c	.26	..
Grandview	†.00½	.12	..
Gunnar Gold	6c	.26	..
Halnor	60c	5.00	12
Hard Rock	‡10c	.77	..
Hedley Mascot	‡8c	.55	..
Hollinger	65c+45c	12.75	*8.6
Howey Gold	2c	.25	..
Hudson Bay	‡$2	25.25	7.9
Inspiration	†2c	.30	..
Inter. Nickel, com.	$2	32.00	6.2
Island Mountain	▲8c	.90	..
Kerr Addison	†15c	3.50	..
Kerr Lake	‡10c	.41	..
Kirkland Lake	10c+2c	.82	*14.6
Kootenay Belle	▲4c	.25	..
Lamaque Gold	‡40c+10c	4.50	*11.1
Lake Shore	$2	19.00	10.5
Leitch	8c	.47	17
Little Long Lac	‡30c	1.65	..
Macassa	32c+3c	3.95	*8.9
Madsen R. Lake	6c	.59	..
McGillivray Coal	‡3c+1c	.21	..
McKenzie Red L.	♦12c	1.05	11.4
McWatters	10c	.20	..
Moneta	12c	.45	..
McIntyre-Porc.	$2.22+$1.11	48.00	*6.2
MacLeod-Cockshutt	‡20c	1.80	..
Naybob Gold	4c	.24	..
Nipissing	15c	1.06	..
Noranda	$4	53.00	7.5
North Empire	20c	5.00	..
O'Brien Gold	‡10c	.68	..
Pamour Porc.	12c	1.30	9.2
Pato Cons.	20c	2.65	..
Paymaster	‡1c	.20½	..
Perron Gold	16c+4c	1.40	*14.3
Pioneer, B.C.	40c	2.05	19.4
Pickle Crow	40c	2.51	15.9
Placer Develop.	$1.20	9.50	12.6
Premier	12c	.94	..
Preston E. Dome	20c+7½c	2.90	*9.4
Privateer Mnies	▲5c+2c	.48	..
Powell Rouyn	‡10c	.70	..
Quebec Gold	‡2c	.22	..
Relief Arlington	‡5c	.02½	..
San Antonio	14c+6c	2.28	*8.8
Sheep Creek	16c	.80	..
Sherritt Gordon	10c	.67	..
Sigma Mines	‡45c	7.25	..
Silbak Premier	16c	.80	20
Siscoe	‡11½c	.57	..
Sturgeon River	4c	.18	..
Sudbury Basin	‡2½c	1.10	..
Sullivan Cons.	‡9c	.58	..
Surf Inlet	‡1½c	.11¼	..
Sylvanite Gold	20c+10c	2.55	*11.8
Teck-Hughes	‡40c+5c	3.05	*14.7
Toburn	12c+8c	1.65	*12.1
Upper Canada	‡6c	1.73	..
Ventures	15c	3.20	..
Waite Amulet	‡10c	3.00	..
Wendigo	3c	.22	..
Wright-Harg.	‡40c+30c	5.50	*12.7
Ymir Yankee	2c	.05	..

*Yield including bonus. †Initial.

‡Paid in 1940.

♦Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

▲Paid or declared payable in 1941 to date.

Dividends Declared

	This payment	Date payable	Date of record
Anglo Can. Oil	†4c	May 1	Apr. 19
Auror Gold	4c	June 2	May 10
Ault & Wiborg, p	$1.37½	May 1	Apr. 15
Ang.-Can. Tele. p	68¾c	May 1	Apr. 15
Bank of Toronto	$2.50	June 2	May 15
Bertram & Sons	15c	Aug. 15	Aug. 1
Buffalo Ankerite	■10c	May 6	Apr. 22
Bathurst Pr. P.A.	25c	June 2	May 15
Brewers & Distil., p.	*50c	May 20	Apr. 26
Do., bonus	*10c	May 20	Apr. 26
Beatty Bros., 1st p.	$1.50	May 1	Apr. 15
B.C. Telep., 2nd pf	$1.50	May 1	Apr. 16
Can. Marconi	4c	June 1	Apr. 15
Candn. Indust., pf.	$1.75	Apr. 30	Mar. 31
Do., com.	$1.75	Apr. 30	Mar. 31
Can. Nor. Pwr.	■25c	Apr. 25	Mar. 31
Com. Alcohols, c.	15c	May 1	Apr. 15
Cel. of Am., pr. pf.	$1.75	July 1	June 17
Do., part. pref.	†$3.50	June 30	June 17
Can. Bk. of Commerce	$2	May 1	Mar. 31
Can. Converters	50c	Apr. 30	Apr. 10
Cochenour W'ns.	3c	Apr. 25	Apr. 10
Corr. Pap. Box, p.	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Can. Bronze	37½c	May 1	Apr. 21
Do., pref.	$1.25	May 1	Apr. 21
Coast Brew.	°3c	May 1	Apr. 15
Corr. Pap. Box, p	$1.75	June 1	May 15
Do.	$1.75	June 1	May 15
Can. For. Invest.	70c	May 1	Apr. 15
Canadian Oil, c.	12½c	May 15	May 1
Do., extra	12½c	May 15	May 1
Commoil	1c	May 26	May 15
Commonw'th Pet.	2c	June 2	May 10
Crown Cork	50c	May 15	Apr. 30
Can. Investors	10c	May 1	Apr. 18
Distillers-Seag., p.	†$1.25	May 1	Apr. 15
Delnite Mines	3c	Apr. 30	Apr. 5
Dom Tar, pref.	$1.37½	May 1	Apr. 15
Dominion Bank	$2.50	May 1	Apr. 19
Dom. Oilcloth	30c	Apr. 30	Apr. 15
Do., extra	10c	Apr. 30	Apr. 15
Gunnar Gold	3c	May 1	Apr. 15
Guar. of N. Amer.	$1.50	Apr. 15	Mar. 31
Do., extra	$4	Apr. 15	Mar. 31
Humberstone Shoe	25c	May 1	Apr. 16
Howey Gold	2c	May 1	Mar. 31
Halnor Mines	15c	June 2	May 10
Hollinger Cons.	5c	Apr. 22	Apr. 8
Do., extra	5c	Apr. 22	Apr. 8
Int. Metal, p & A p	$1.50	May 1	Apr. 15
Do., arrears	$3	May 1	Apr. 15
Imperial Bank	$2.50	May 1	Mar. 31
Inspiration Min.	‡2c	May 30	May 1
Inter. Nickel, pf.	†$1.75	May 1	Apr. 1
Inter. Util. pfd.	•†87½c	May 1	Apr. 21
Island Mtn. M.	8c	May 15	Apr. 30
Kerr Addison	5c	Apr. 28	Apr. 10
Kirkland Lake	5c	May 1	Mar. 31
Do., extra	1c	May 1	Mar. 31
Koot. Belle G.	2c	Apr. 22	Apr. 15
Montreal L. & Pr.	37c	Apr. 30	Mar. 31
Neon Pr. W. Can. p.	$1.50	May 1	Apr. 15
Noranda Mines	$1	June 16	May 20
Privateer Mine	2c	May 10	Apr. 25
Do., extra	1c	May 10	Apr. 25
Pamour Porc.	6c	June 2	May 10
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Pressed Metals	†25c	June 2	May 15
Rem. Rand, stk. div.	10%	May 1	Mar. 14
Regent Knit, pref.	§40c	June 1	May 15
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 2	May 15
Silbak Premier	4c	Apr. 25	Apr. 4
South Am. Gold	10c	May 7	Apr. 25
Steel of Can.	75c	May 1	Apr. 7
Do., pref.	75c	May 1	Apr. 7
Simpsons, pref.	$1.62½	May 1	Apr. 19
San Antonio	7c	Apr. 21	Apr. 5
Do., extra	3c	Apr. 21	Apr. 5
Kootenay Pr., p.	$1.37½	May 1	Apr. 15
South. Can. Pr.	20c	May 15	Apr. 30
Sturgeon R. G.	4c	Apr. 30	Apr. 15
St. Law. Flour, c.	25c	May 1	Apr. 19
Do., extra	50c	May 1	Apr. 19
Do., pref.	$1.75	May 1	Apr. 19
Toburn Gold	3c	May 22	Apr. 22
Do., extra	2c	May 22	Apr. 22
Tr. Gold Eq. st. c.	6c	June 30	June 16
Waite Amulet	10c	June 16	May 20
Walker-Good.	$1	June 16	May 23
Do., pref.	25c	June 16	May 23
Wendigo Gold	■3c	May 2	Apr. 21
Western Brew.	10c	Apr. 25	Apr. 15
Weston, Geo., c. p.	$1.25	May 1	Apr. 15
Wood, Alex. J. pfd.	$1.75	May 1	Apr. 15
Zellers, com.	20c	May 1	Apr. 15
Do., pref.	37½c	May 1	Apr. 15

*Payable in U. S. funds.

•Subject to approval of Foreign Exchange Control Board.

†Initial.

§40c also payable Sept. 1 and Dec. 1.

°Subject to approval at annual meeting.

■Subject to approval of Securities and Exchange Commission.

New Interests Acquire Control of Legaré Co.

Control of the Legaré Co. has been acquired by Woodhouse & Co. of Montreal. The Legaré Co. operates 36 retail stores in the Province of Quebec for the sale of household furnishings, farm implements, etc., and also deals through commission contract agents and consignment agents in the province. Woodhouse & Co. operates household furnishings stores in Montreal and other Quebec centres and controls the Adams Furniture Co. of Toronto. Control of Legaré was formerly held by interests associated with E. W. Angus of Toronto. Transfer of these holdings does not affect the position of other security holders.

NOTICE OF ANNUAL GENERAL MEETING

VULCAN OILS LIMITED

TAKE NOTICE that the Annual General Meeting of the shareholders of VULCAN OILS LIMITED will be held at the Odd Fellows Hall, in the town of Vulcan, Alberta, on Thursday, the First day of May, A.D. 1941, at the hour of ten o'clock in the forenoon, for the purpose of receiving and considering the report of the Directors, the Auditors' report for the past year, the election of Directors, the appointment of Auditors and to transact such other business as may properly come before the meeting.

The books of the Company will be closed for transfer purposes from April 23rd, 1941, to May 2nd, 1941, both days inclusive.

Dated at the town of Vulcan in the Province of Alberta, this 11th day of April, A.D. 1941.

By Order of the Board of Directors.
FRANK R. FREEZE,
Secretary.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 215

NOTICE is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the second day of June next, to shareholders of record at the close of business on the 30th day of April, 1941.

By order of the Board.
S. G. DOBSON,
General Manager.
Montreal, Que., April 15, 1941.

The Bank of Toronto

Dividend No. 239

Notice is hereby given that a **Dividend** of **Two and One-half** Per Cent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the second day of June next, to shareholders of record on May fifteenth, 1941.

By Order of the Board.
F. H. MARSH,
General Manager.

The Dominion Bank

Dividend No. 234

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1941. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of May, 1941, to shareholders of record of the 19th April, 1941.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 13th March, 1941.

Montreal Tramways Company

Annual General Meeting

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, P.Q., at 12 o'clock noon, on Thursday, the 24th day of April, 1941. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 4th day of April, 1941, to the 23rd day of April, 1941, both days inclusive.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Montreal, January 27th, 1941.

Dividend Notice

COMMONWEALTH PETROLEUM LIMITED

NOTICE is hereby given that a dividend of .02 cents per share has been declared on the outstanding no par value shares of the Company, payable on or after the 2nd day of June, 1941, to the shareholders of the Company of record at the close of business on the 10th day of May, 1941.

Shares may be transferred at the Head Office of the Company, 122 8th Avenue West, Calgary, Alberta, or at the offices of the London and Western Trusts Company Limited, either at Toronto or Vancouver.

The transfer books of the Company will be closed from the close of business on the 10th day of May, 1941, to the close of business on the 20th day of May, 1941.

By Order of the Board,
G. J. McKAY,
Secretary.
April 7th, 1941.

Will buy
Can. Vickers 6/47
Guelph Carpet Com.
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

Exports of Flour Continue Decline

First Quarter Down 25% From 1940 But Wheat Up

Export of flour from Canada continues to decline below the large movement of a year ago. In March official figures just released show a total of approximately 560,000 bbls., down over a 150,000 bbls. from a year ago. Cumulative total for the first three months of 1941 is down 25%. Price, too, so far this year has registered a slight drop from 1940.

The export of wheat, on the other hand, showed a huge increase last month, sufficient to bring total for the year to date (almost 25 million bushels) to slightly above a year ago. Price of wheat, however, showed some decline from a year ago.

Details of exports of both commodities are as follows:

Flour Exports

	Quantity Bbls.	Value $	Average Export Price $
March:			
1938	301,735	1,770,784	5.869
1939	360,752	1,110,095	3.077
1940	715,579	2,864,163	4.003
1941	559,139	2,011,813	3.598
Three Months ended March:			
1938	869,999	5,029,399	5.781
1939	1,031,056	3,169,363	3.074
1940	2,000,233	7,612,248	3.806
1941	1,520,714	5,255,279	3.456
Wheat Exports			
1938	3,487,449	4,452,423	1.277
1939	6,564,277	3,987,087	0.607
1940	8,628,277	8,141,245	0.944
1941	11,622,719	9,794,585	0.843
Three Months Ended March:			
1938	13,520,239	17,064,631	1.262
1939	20,189,573	12,165,250	0.603
1940	25,584,119	23,166,647	0.906
1941	25,962,393	21,624,648	0.833

Keeping Posted

By J. C. KIRKWOOD

Pre-war Churchill

Winston Churchill! Of him the editor of Maclean's Magazine says: "One of our biggest 1941 surprises has arisen from the fact that very few people we have met know much about the prewar Winston Churchill." Accordingly, in the April 15 issue of Maclean's is the first of a series of four articles about the prewar Winston. It is an extraordinarily interesting story which John Coulter, the author, has to tell. Over a period of years he collected everything concerning Churchill that he could lay his hands on. You will be hard gripped by this informative story of Britain's "man of destiny."

* * *

Song Hit

The story of how the song "There'll Always be an England" was written to order in three hours is told in Maclean's for April 15. Irwin Dash, a London music publisher, had read that Irving Berlin's song, "God Bless America," was a best seller in America. So in 1939, months before the outbreak of war, he called in two song writers and said to them that he wanted something like Berlin's song. Said Mr. Dash: "I knew it was terrific, but the dealers and gramophone dealers didn't — not for a while." The song anticipated public sentiment by a good many months. It was not until the autumn of 1939 that it caught on in Britain. In nine weeks 250,000 were sold, and another 100,000 copies were sent to Australia. In Scotland the song was a failure. There have been controversies whether or not people should rise when the song is sung in public.

* * *

Best Dressed

Perhaps the day is near when Canadian merchant tailors will do what the Merchant Tailors Designers in the United States do. They select each year the 20 best-dressed men of their country. Among the 1941 best-dressed Americans are Henry Ford II; Walter Pidgeon, Hollywood actor; William S. Knudsen and Winthrop Rockefeller.

The selection, remarks Men's Wear Merchandising, reflects more credit on the tailors of the men named than on their personal flair for selecting and wearing clothes well. The article adds: "In Britain and the Dominions the most admired apparel just now is the uniform of one or other of the services."

* * *

Watch That Bowler

Probably every Post male reader has a bowler or derby hat—for special occasions, if not for daily wear. But the derby hat is not for everybody. The small-face man is well advised, says J. Herbert Hodgins, editor of Mayfair Magazine, against the derby, and the heavy-jowled man—a type which appears to favor the derby hat—should wear such a hat only if it has a generous crown and a proportionately wider brim. For most men the soft hat would seem to be safest selection.

And what about hats for women? Only one woman in fifty can look like an angel child with her forehead exposed; most of them look half-witted that way. Thus speaks a writer in Stylewear.

* * *

Harness Business

Fifty-three years ago was founded in Owen Sound the hardware business of Christie Brothers and Co. The two principals are W. L. Brown, president, and David Christie, secretary-treasurer. Mr. Christie's job used to be selling tinware in the country from a horse-drawn wagon. "It used to take me a week," said Mr. Christie to a Hardware and Metal reporter, "to make some of those trips. I made the acquaintance of practically every farmer and villager."

Today the company does a big harness business because harness makers in rural areas have become few, and so community dealers are getting a good share of the available harness business.

More Steel For Dosco

Plans are being drawn for additional open hearth furnace in the Sydney, N.S. steel plant of Dominion Steel & Coal Corp., according to an announcement by Hon. C. D. Howe, Minister of Munitions and Supply.

The proposed furnace would cost about $1.5 millions and take eight months to get into production.

Commodities Are Fairly Steady

Commodity Markets Generally Have Shown Relative Steadiness

Controls exercised by various governments are helping to prevent runaway markets. The United States is taking measures to strengthen markets for farm products and at the same time it is trying to hold down prices of goods required in the defense programme. Washington's agricultural programme includes the purchase on the open market of eggs, hogs, dairy products, chickens, etc. and increasing the amounts which farmers can borrow on their wheat, cotton and corn crops.

Opening of Red Sea

In some quarters the opening of the Red Sea and the Gulf of Aden to United States shipping was seen as likely to increase supplies of Mediterranean and African products. Ships carrying munitions to the British and Greek forces will want to bring back what cargoes are available. Hence some look for increased supplies of cocoa from Africa and licorice and certain drugs and chemicals which come from Sumatra, Java and other eastern countries.

	Latest week	Previous week	Same week last yr.
Cattle	$9.50	$9.50	$7.50
Hogs	11.40	11.30	12.00
Copper, lb.	.12	.12	.11½
Cotton, lb.	.1158	.1158	.1109
Rubber, lb.	.2228	.2225	.1881
Silk, lb.	2.84½	2.85	2.85
Sugar, raw, lb.	.0340	.0340	.0287
Wheat, Man. (bu.)	.75⅝	.76	.89¼
Coffee, lb.	.06¾	.06¾	.05½
Hides	.14½	.14½	.13½
Weekly Indices			
Canada (D.B.S.)	86.5	86.0	83.2
Do., Wood, Gundy	70.1	69.9	67.7
U. S. Labor	82.2	82.0	77.6
Dow Jones (future)	63.54	63.77	60.28
Fishers'	89.2	88.7	84.5
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)*	108.2	108.3	103.8
W'sale (Feb.)	85.2	84.6	82.8
U. S. (Jan.)	80.8	80.0	79.4
Gt. Brit. (Dec.)	148.2	146.9	102.8

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North.; Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Twin City Transit Earnings Improve

Appointment last August of Senator Lorne C. Webster of Montreal to the board of directors of Twin City Rapid Transit Co. was confirmed by shareholders at the recent annual meeting. Senator Webster will be eligible for election to a regular three-year term at the next annual meeting.

Re-elected to the board for a further three-year term were Colonel F. H. Deacon, Toronto, J. F. Fitzpatrick and W. O. Washburn of St. Paul.

The company's street car and bus lines in Minneapolis and St. Paul are reported to be showing better volume and net earnings in 1941 to date, as compared with the corresponding period in 1940.

Canadian Industries Building Steam Plant

From Our Own Correspondent

MONTREAL.—In order to release electric power for war industries in the Shawinigan area, Canadian Industries Ltd. is undertaking construction of a $100,000 coal-fired boiler plant to replace an existing electric boiler installation and to provide steam necessary for its own operations. The new boiler plant is being built by Fraser Brace Engineering Co. It is expected to be in operation by next September.

C. P. R. Electric Lines Progress During 1940

From Our Own Correspondent

MONTREAL. — Canadian Pacific electric lines—Grand River Railway Co. and Lake Erie and Northern Railway Co.—experienced moderate increase in gross earnings last year, according to H. J. Humphrey, president.

Continued improvement in traffic this year, said Mr. Humphrey, is anticipated as many concerns throughout the districts served by the two lines have large war contracts.

Public Utility Earnings

Southern Canada Power

February	1941	1940
	$	$
Gross income	2,817,460	2,525,974
Oper. expenses	854,168	789,041
Taxes	591,491	352,612
Net revenue	1,371,806	1,384,321
Int., dep., divds., etc.	1,345,366	1,327,850
Surplus	26,440	56,471
Five Mos. Ended Feb.	$	$
Gross income	1,220,068	1,104,785
Oper. expenses	345,783	352,352
Taxes	292,392	167,823
Net earnings	581,893	584,610
Less: Int., depr., divs.	562,728	558,340
Surplus	19,165	26,270

Jamaica Public Service

February:	1941	1940
	$	$
Oper. revenue	89,396	83,444
Gr. inc. after retire. acct.	23,158	19,313
Net income	10,951	10,396
Two Mos. Ended Feb.	$	$
Oper. revenue	189,698	170,320
Gr. inc. after retire. acct.	57,253	41,354
Net income	36,199	23,508

MEXICAN LIGHT AND POWER
Monthly Earnings

December	1940	1939	Incr.
	$	$	%
Gross earn.	778,278	655,381	18.75
Oper. exps.	679,708	533,873	27.32
Net earn.	98,570	121,508	*18.88
Twelve Months Ended Dec. 31			
Gross earn.	8,277,340	7,453,670	11.05
Oper. exps.	6,603,038	6,075,588	8.68
Net earn.	1,674,302	1,378,082	21.50

*Decrease.

East Kootenay Power

	1941	1940
February:	$	$
Gross earnings	43,561	44,328
Less: Expenses	20,737	18,685
Net earnings	22,824	25,643
11 Mos. Ended Feb. 28:		
Gross earnings	553,407	498,342
Less: Expenses	198,763	184,437
Net earnings	354,644	313,905

Week in Wheat

Big Lake Movement Gathers Momentum

Heavy Flow Toward Seaboard as Exports Soar and Lake Navigation Opens — Market is Easier

From Our Own Correspondent

WINNIPEG.—A large scale movement of Canadian wheat is gathering momentum. Within a week there will be a continuous flow all the way from western farms to British mills. The impelling force comes from two sources, the opening of navigation on the Great Lakes, and transatlantic movement to Great Britain at an almost unprecendented rate.

Last week's shipments of Canadian wheat alone reached nearly 8 million bushels, following a week during which more than 5 million bushels had been dispatched. Such a flow represents a great deal more than normal requirements for Great Britain, and presumably must be based primarily upon considerations of making the most effective use of shipping during a given period.

Probably it reflects to some extent an increased use of wheat in the British diet, as economy is practised with respect to other foods not so easily provided.

Heavy Lake Move

A heavy movement of wheat down the Great Lakes from Port Arthur and Fort William was in prospect in any event with the opening of navigation. This was needed to fill up eastern elevator space vacated by the absorption of supplies during the winter both in domestic milling and for overseas shipping. The heavy overseas shipments make still more space available, and increase the demand for lake freight space, now booked to capacity weeks ahead.

As fast as grain is emptied out of lakehead terminals it is being replaced by wheat which has been accumulated on track awaiting this opportunity to unload. In turn the railways take more wheat from country elevators, releasing space which farmers are able to fill up with their delayed deliveries. Bad roads, however, have prevented a good deal of country hauling which farmers would like to get done before they become preoccupied with spring work on the land.

* * *

Market Weaker

The Winnipeg wheat market has weakened slightly under the impact of offerings, with the May and July futures resting on the pegged prices. So far, however, the market has been able to accept offerings at the pegged price, and country elevators have been able to continue buying at prices based on those levels.

For No. 1 Northern the pegged basis is only slightly above the Wheat Board levels at Manitoba and Saskatchewan points. In Alberta the market level at many points is below the Wheat Board basis. Local market prices have to be based on freight rates to the lake head, while Wheat Board payments are adjusted to give farmers the benefit of freight rates to Vancouver, lower, and at many points substantially lower than those to the lake head.

On grades lower than No. 1 Northern the differential in favor of the open market increases as Wheat Board spreads on such grades are wider than those actually prevailing at present in the open market. The tendency is for farmers to sell their grain outright when they can do better by a cent or sometimes even by a fraction of a cent, than the Wheat Board basis. This indicates a doubt as to Wheat Board participation certificates ultimately becoming valuable.

* * *

Domestic Buying

As has been the case for a considerable time, the open market demand comes mainly from Canadian mills for their requirements for domestic flour. British buying, arranged directly with the Canadian Wheat Board, is not reflected directly in the futures market. It does, however, show up in the demand for cash wheat, as futures contracts obtained from the Canadian Wheat Board are exchanged for actual wheat required by exporters to fill orders for shipment.

* * *

1941 Restrictions

Western farmers are hearing a good deal directly from the Government and the Wheat Board about the necessity for limiting deliveries of wheat during the coming crop year.

A pamphlet, issued by the Department of Trade and Commerce, is being distributed through all western elevators. The ministers of both trade and agriculture have issued statements through the press and the radio. The Canadian Wheat Board has formally warned farmers that wheat deliveries in the coming crop year are to be limited to a total of 223 million bushels for western Canada, and that allocation of quotas to farmers will be on the basis of 65% of the wheat acreage seeded by each farmer last year. The Board, however, has not yet announced details of how quotas are to be worked out on that basis.

New Building

WAR PROJECTS

Major projects launched by recent construction contract awards by the Dept. of Munitions & Supply include the following:

Elementary flight training school, High River, Alta., wood construction, $206,000.

Military camp, Debert, N.S., wood construction, $93,000.

R.C.A.F. station, Trenton, Ont., wood structure, $160,000.

Reported by Engineering & Contract Record:

Robert Simpson Co. is having plans prepared for $250,000 mail order and retail building in Regina.

Dept. of Munitions & Supply is considering erection of $250,000 temporary war purpose building at Ottawa.

Aluminum Co. of Canada is contemplating extension to plant in Quebec province at estimated cost of $1 million.

Algoma Steel Corp. is having plans drafted for construction of $4 millions blooming mill unit at its plant in Sault Ste. Marie.

Montreal Locomotive Works has awarded general contract for superstructure for $1 million plant development at Longue Pointe, Montreal.

Aluminum Co. of Canada is planning hospital, school and community hall buildings at Arvida, Que., at total estimated cost of $200,000; and construction of 200 houses at estimated cost of $500,000 at the same centre.

Odeon Theatres of Canada Ltd. is considering construction of $250,000 theatre at Victoria, B.C.

Halifax School Board has awarded general contract for $450,000 high school auditorium and gymnasium.

Palace Amusement Co. has let general contract for $100,000 theatre in Cornwall, Ont.

Bank of Canada has given general contract for $37,000 addition to its head office building in Ottawa.

Canadian Industries Ltd. has awarded general contract for $100,000 boiler plant at Shawinigan Falls.

Robert Simpson Co. has work under way on alterations to warehouse in Toronto at estimated cost of $125,000.

Wartime Housing Ltd. has let contracts for 225 dwellings to cost $500,000 at Halifax, staff houses for 400 men at the same point; and is planning erection of 1,000 houses at New Glasgow, N.S., at estimated cost of close to $2 millions.

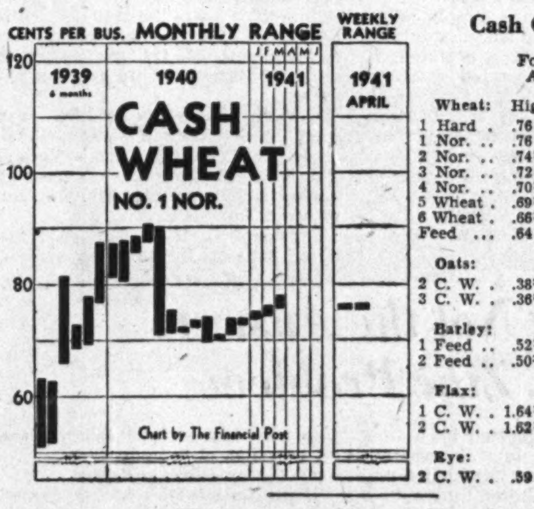
Newfoundland Codfish Shipments Higher

Exports of salt codfish from Newfoundland in February totalled 45,280 qtls., compared with 31,379 qtls. for February, 1940.

Exports from July, 1940, to Feb., 1941, were 879,155 qtls., against 688,727 qtls. for the corresponding period of 1939-40, according to statistics of the Newfoundland Fisheries Board.

Portugal imported 6,960 qtls. of salted codfish in February this year, compared with no shipments in the same month of 1940. Porto Rico received 14,860 qtls. from Newfoundland during the month against 1,288 qtls. in Feb., 1940.

Wheat Prices



Cash Quotations

	For Week Apr. 14 High	For Week Apr. 14 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.76	.75¼	.76	.75⅝
1 Nor.	.76	.75¼	.76	.75⅝
2 Nor.	.74½	.73½	.74⅛	.73¾
3 Nor.	.72⅛	.71	.71⅝	.71
4 Nor.	.70½	.69⅜	.69⅝	.69
5 Wheat	.69½	.68⅜	.69⅜	.69
6 Wheat	.66⅛	.65⅜	.66⅜	.65⅞
Feed	.64	.62⅞	.63⅞	.63½
Oats:				
2 C. W.	.38⅜	.36⅛	.36⅞	.36⅜
3 C. W.	.36⅜	.34⅜	.35½	.34⅞
Barley:				
1 Feed	.52½	.51	.52⅜	.51¾
2 Feed	.50¾	.49¼	.50⅜	.49½
Flax:				
1 C. W.	1.64½	1.57¼	1.76⅝	1.66½
2 C. W.	1.62½	1.55¼	1.75	1.64¾
Rye:				
2 C. W.	.59	.57⅞	.59⅜	.55¾

Winnipeg Grain Futures

Week to Apr. 14, 1941

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Apr. 8	High for week	Low for week	Close Apr. 14	Close year ago
		Wheat					
.79¾	.65⅞	May	.76¾	.77	.65⅞	.75⅞	.90
.81⅜	.77½	July	.78½	.78⅜	.77½	.77½	.91⅜
		Oats					
.37⅞	.25⅝	May	.36⅛	.37⅞	.35⅝	.37⅞	.39½
.35⅞	.29½	July	.35	.35⅞	.34⅜	.35⅞	.38½
.33⅜	.30¾	Oct.	.33	.33⅜	.32⅜	.33⅜	.36⅜
		Barley					
.51⅞	.33⅜	May	.51	.51½	.50¼	.51½	.53⅛
.48¾	.39⅞	July	.47½	.48½	.47⅛	.48⅜	.52½
.45⅞	.41⅞	Oct.	.44⅜	.44¾	.43⅝	.44⅛	.51
		Flax					
1.93¾	1.16	May	1.64½	1.65¼	1.57¼	1.65	2.32½
1.92⅜	1.29½	July	1.65½	1.68	1.59	1.65¾	2.34⅝
1.79¾	1.44¾	Oct.	1.60	1.61	1.55¾	1.58	2.31
		Rye					
.60¾	.44¼	May	.59¾	.59¼	.58⅛	.59⅜	.70¾
.60⅞	.47⅛	July	.59⅞	.59⅜	.57½	.58⅛	.71⅛
.58¾	.56	Oct.	.57⅛	.57⅞	.56⅛	.56⅛	.72⅛

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Week in Mining

South Porcupine Busiest Eastern Canada Camp

Exploration in This Sector Bright Spot in Otherwise Lagging Business of New Mine Development — Plenty of Structures

While the business of new mine development is generally admitted o be in the doldrums with few new properties under investigation, ›ne field is at present experiencing perhaps the largest volume of new xploration in its history. This is southern Porcupine.

Success at Delnite and Aunor is resulting in a determined effort o extend the Delnite-Aunor ore zone westward with Jasper Porcupine Mines, controlled by Skynner Lake Gold Mines, and Wesdel Porcupine Gold Mines, both doing diamond drilling. This week comes news that asper Porcupine has cut 22 ft. of quartz with some visible gold in its irst hole. True width is estimated at 14 ft. but no assays are yet available.

Other Programmes

Besides the Jasper-Wesdel drilling, however, exploration is also eing done farther south. Acordia Porcupine is at work on its big roperty and Westchester Porcupine Gold Mines—controlled by Jnity Mines & Exploration—also as a programme under way. Jodelo s carrying on a sampling programme.

Some ore has been developed on he Edwards claim and shipments re being made to the Faymar mill. outhern Porcupine has a great nany unexplored structures which nay be ore-bearing and it has often een regarded as a prospector's aradise for this reason.

Away from the Porcupine area roper, Orpit Mines over in Bristol wp. has created a great deal of nterest with drilling results ecured. One hole completed recently returned $24.52 a ton for a ore length of 11 ft. A zone about 40 ft. in length carrying commercial values has now been outlined, t is stated.

* * *

Parry Sound Survey

This year the Ontario Department f Mines will carry on preliminary xamination of iron deposits and ther mineral occurrences in the District of Parry Sound with a view o carrying out a more detailed survey later.

Decision to investigate the Parry ound area results from discovery f interesting mineral occurrences n recent years. Little systematic napping has been done either in hat area or in the area extending ortheasterly to the Ottawa River which is also to be investigated.

Altogether Ontario will place ine survey parties in the field this ummer. Areas to be surveyed include Little Long Lac, Larder Lake, section of southeastern Ontario, nd the areas south of the Opeepeeway area and northeast of the Iissinabie area, in the Sudbury istrict.

* * *

Gold Output Off

While gold production in Janury of 434,259 ounces, as reported y the Dominion Bureau of Statiscs, was nearly 10,000 ounces higher than the 424,381 ounces produced in Jan., 1940, it represented a sharp decrease from the previous month's total of 450,132 ounces. It was the lowest monthly output reported since the 30-day month, April, 1940, when only 418,636 ounces of gold were produced.

Those who follow the situation closely believe this may represent a change in trend rather than a temporary lull in the gradual growth of our gold output. New mines to increase gold output have been relatively few in recent months; and very few new mines appear on the horizon at the present time. Some mines have increased capacity recently but this has not completely offset treatment of lower grade ore at numerous mines and declining output at others.

* * *

"Timing" Important

In publishing the "Investing in Canada's Mines" entry of Harold G. Sprott, statistician of F. O'Hearn & Co., last week, some specific advice on how investing $25,000 should be done was omitted. Mr. Sprott says:

"It is suggested that the business man put approximately half his $25,000 into immediate purchases, and steadfastly withhold the balance until the outlook seems clearer. In so doing he is likely to pick up his investments at a price below today's levels, but if his judgment is wrong, any increase in prices might be regarded as insurance well worth the cost.

"At present individual securities appear to be in a good buying range judged on their own merits, but the recent general uneasiness which has developed in the stock market suggests caution should be exercised. The market's vulnerability to world events in the immediate future suggests some capital be withheld as reserve buying power. A partial commitment seems wise, however, partly because human judgment is apt to overemphasize the extent of possible market declines, and partly because the stocks are now at an attractive level from a longer-range viewpoint."

Mining Concentrates

Acordia Porcupine Gold Mines ›mpleted a financing agreement ith Louis Cadesky on Feb. 26, 941, under which 30,000 shares were urchased for $4,500 with a further),000 shares to be taken up at 15 ›nts a share by April 1, 1941. An ption was granted on 200,000 shares 15 cents a share payable by Aug. 1941, with a further million shares ptioned at 20 to 50 cents a share ayable by July 1, 1942. Authorized ipital of the company is three milon shares with 1,900,006 issued.

* * *

Dubuisson Goldfields agreed to ›ll 100,000 shares to Nesbitt, Thomn & Co. under agreement of Nov. , 1940, payable upon receipt of a ivorable report by the engineer of ie underwriters. An option was ranted on a further 1,150,000 shares s follows: blocks of 200,000 shares ich at 15, 25, 35, 45, 55 and 60 ›nts a share with balance at 80 to) cents per share, payable in lots 200,000 shares every six months, ie first payment to come one ionth after the proceeds of the sale the aforementioned 100,000 shares ave been expended for exploration ork and diamond drilling. Authoried capital is three million shares ith 1,450,000 shares issued.

* * *

Gan Copper Mines sold 10,000 iares to L. M. Atwell by agreement March 14 and granted an option 1 911,000 shares as follows: 111,000 iares at 5 cents a share payable by une 29, 1941, with balance at 7 to) cents a share payable 50,000 iares monthly commencing July 29, 941. Authorized capital is three iillion shares with 1,079,005 issued.

* * *

Hartford MacLure Gold Mines opioned 650,000 shares to Amtor Corp. 1 Feb. 11 as follows: 100,000 shares 5 cents per share payable by ay 1, 1941; blocks of 50,000 shares ich at 7½ and 10 cents a share, iyable by July 1, 1941, with balice at 15 to 55 cents a share payible by April 1, 1942. Authorized ipital is three million shares with 051,000 shares issued.

* * *

Gold Frontier Mines had 120,000 iares purchased for $18,000 by H. R. ain & Co. on Dec. 3, 1940, and a irther 100,000 shares at 18 cents a iare. By agreement of April 4, 941 (amending the former agreeent), H. R. Bain & Co. agreed to irchase 380,000 shares for $103,890 iyable $75,000 forthwith and balice by May 2, 1941, and received 1 option on a further 690,564 shares follows: 200,000 shares at 20 cents share, payable by June 2; 200,000 iares at 25 cents a share payable Aug. 2; with balance at 30 cents r share payable by Nov. 2, 1941. uthorized capital is three million iares with 1,841,436 shares issued.

* * *

Jodelo Gold Mines completed a fiincing agreement on March 10, ıder which A. A. Perrin agreed to purchase 10,000 shares at 10 cents a share and was granted an option on 290,000 shares as follows: 90,000 shares at 10 cents per share and blocks of 100,000 shares each at 15 and 20 cents per share, payable $1,500 within one month, $2,500 monthly for the next three months, $3,000 monthly for the next five months and balance at $5,000 monthly. Authorized capital is three million shares with 2,436,000 shares issued.

* * *

Jerome Gold Mines has arranged to borrow $900,000—$750,000 to put the property into production and $150,000 for working capital—the company's annual report for 1940 indicates. Since the end of the year, 675,321 shares of stock have been sold under option at 50 cents, leaving only 50,000 unissued shares in the treasury. Hydro-electric power was expected to be available in the current month. All equipment orders for the 500-ton mill have been delivered to date, the report states. Ore reserves are estimated at over 600,000 tons assaying 0.189 oz. cut grade before allowance for dilution.

* * *

Lake Geneva Mining Co. directors are considering resuming operations at the property in Hess twp., Sudbury district, according to President C. D. H. MacAlpine. No work was done last year. Balance sheet Dec. 31, 1940, shows $334 cash, $23 accounts receivable and $8,797 in stores. Accounts payable totalled $1,528 with an unsecured loan of $33,314 also outstanding.

* * *

Sentinel Mines plans to keep its property in good standing although no work was carried out in 1940. Funds are to be conserved so any future programme decided on may be carried out.

Century to Start Mill Early This Summer

From Our Own Correspondent

WINNIPEG.—Northern Manitoba will have another gold-producing mine early this summer. Mill machinery for Century Mining Corp. arrived at Cranberry Portage this week en route to Heming from which point it will be transported by winter road to the property on Elbow Lake.

Work has been in progress sometime at the mine site with mill house and ore bins now erected. The headframe has been reinforced and everything is in readiness for the installation of mill machinery. This, it is expected, will take about six weeks when the mine will begin to produce.

A. D. MacPherson, Montreal, president, accompanied by Dr. J. Frank Wright, geologist, were both at the property for the start of installation.

Seek New Ore At Privateer

Development Proceeds on Seven Headings—Near No. 5 Vein

"While actual reserves which can be measured and calculated at Privateer Mines are down somewhat, more ore chances are now being developed in the mine than ever before," shareholders were informed by President D. S. Tait at the company's annual meeting last week.

Underground development is now approaching its maximum, according to N. E. McConnell, mine manager, with seven development faces being worked.

Drifting is proceeding west on the No. 3 vein at the 1,000-ft. level with 85 ft. of ore averaging 3.93 oz. across 0.33 ft. opened up recently. The main north crosscut is being continued and is within 25 ft. of the No. 5 vein.

Working at 1,350

Work has now reached the 1,350-ft. horizon with three development faces being advanced. The first crosscut rounds have been taken out of the No. 1 and No. 2 veins.

In the Prident sector, a new low level—the 500—has been driven 20 ft. It has about 150 ft. to go to reach ore exposed on the 400 level. The east drift is on No. 1 vein to check the possible downward extension of 200 level values. No. 3 drift is being driven west and has opened up 100 ft. averaging 2.19 oz. over .35 ft. The last stope back on the Prident was 6.52 oz. over .62 ft. for a length of 64 ft.

Continuous Exploration

Dealing with development and ore reserves, G. F. MacDonnell, consulting engineer, stated the policy was to carry on exploration for and development of ore on the property continuously and on as large a scale as mine facilities and sound policies justified. This exploration policy was beginning to show some good results, he pointed out.

Texas-Canadian Results Better

Liabilities Reduced from $925,000 to $250,000 Since April 30, 1939

Improvement in conditions in the U. S. midcontinent oil fields has been reflected in a substantial improvement in the position of Texas-Canadian Oil Corp., company officials report. Current liabilities have been reduced from $925,000 to $250,000 between April 30, 1939, and April 1, 1941. It is now expected that dividends may be resumed by the end of the present year. Remaining bank loans are being cleared off at the rate of $10,000 a month by agreement.

Prices of crude oil were increased in the Texas fields by 5 to 11 cents a barrel at the end of March.

Revenue $45,000 Monthly

In spite of continued heavy proration in east Texas, revenue from the company's 106 producing wells amounts to over $45,000 a month with net income before depreciation and depletion estimated at over $30,000 a month.

Revenue possibilities for the future are enhanced by the prospect of increased production and improved prices in the entire midcontinent area, it is stated. Texas-Canadian is at presnt participating in several drilling developments in Texas and Louisiana which are expected to result in further expansion in revenue, company officials point out.

Authorized capital of the company is 500,000 shares of $5 par value of which 440,000 are outstanding.

Yama Putting In Mill Foundations

Hydro-Electric Power is Now Available at the Property

Foundations are now being poured for the 75-ton test milling plant of Yama Gold Mines, The Financial Post is informed. Hydro-electric power is available at the property and a station is being cut at the 125-ft. level. This is being done to get at the ore pillar so a supply of ore will be ready for the mill when erected.

Determination of the average grade of ore to be treated must await actual operation of the plant but officials anticipate a fair margin of profit.

Have Year's Ore

Well over a year's supply of ore is available for a small mill after allowing for sorting, it is stated.

While the mill is rated at 75 tons daily it may treat as high as 100 tons daily in practice, it is believed. The extent to which sorting of waste rock proves feasible will play a part in determining the rate at which the mill is operated.

Financing of the mill was arranged by sale of a $100,000 issue of notes with a bonus of stock.

Mining Company Reports

Nipissing Mines

Although dividends received from holdings in Beattie Gold Mines were higher and a $26,441 profit was realized on exchange, Nipissing Mines earnings dropped from 20.1 to 19.2 cents a share in 1940 on the basis of profits of the company's wholly owned subsidiary Nipissing Mining Co. An increase in exploration writeoffs from $5,850 to $63,079 was responsible for the drop.

Balance sheet of Nipissing Mining Co. at Dec. 31, 1940, shows bond holdings of $1,331,545 with a market value of $1,422,452. Beattie Gold Mines shares carried at $334,344 had a market value of $1,778,612. A holding of 14,600 shares of Steep Rock Iron Mines was shown at $1.

A mortgage of $200,000 held on the property of Picacho Mining Co. matures on Nov. 15, 1941, it is stated. Exchange and other uncertainties have prevented further work on this property. Work at Cobalt in 1940 resulted in a small operating profit.

A total of 63 properties were submitted to the company last year. No options were taken but some diamond drilling was done on a property in South Porcupine; results did not justify further work.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Nipissing Min. div.	190,000	190,000
Less: Gen. exp.	1,797	2,006
Directors' fees	640	560
Transf. agts., etc.	6,216	6,181
Net profit	181,347	181,253
Less: Dividends	180,000	180,000
Surplus for year	1,347	1,253
Add: Prev. surplus	2,364	1,111
Surplus forward	3,711	2,364
Earnings per Share and Dividend Record:		
Earned	$0.15	$0.15
Paid	0.15	0.15
No. of Shs. Outstand.	1,200,000	1,200,000

Nipissing Min. Co. (Subsidiary)
Years Ended Dec. 31

	1940 $	1939 $
Sales	74,348	69,962
Add: Inventories	18,582	18,215
	92,930	88,177
Less: Inv., prev. years	18,215	12,322
Gross Prod. value	74,715	75,855
Less: Oper. exps.	66,775	71,876
Exploration w/o	63,079	5,850
Taxes	55,000	29,329
Loss after taxes	110,139	31,200
Less: Int. on bonds	54,112	53,800
Other income	269	2,284
Dividends	259,928	216,669
Int. & exch. (net)	26,442	......
Net profit	230,612	241,553
Less: Dividends	190,000	190,000
Surplus for year	40,612	51,553
Add: Prev. surplus	1,895,662	1,844,109
Prof. on Steep Rock shs.*	693	......
Surplus forward	1,936,967	1,895,662

*Less cost of all shares purchased except $1.

Earned per Share*	$0.192	$0.201

*Based on shares of parent company.

Consol. Working Capital

Current assets	1,680,220	1,546,086
Current liabilities	121,717	91,426
Working capital*	1,558,503	1,454,660

*Not including shares in other companies

Aldermac Copper

While net income after marketing charges increased from $943,172 to $1,069,766 in 1940, Aldermac Copper Corp. had a loss of $20,816 last year against a $14,314 profit the previous year. Due to operating profits of $224,981, however, the company was able to show $131,609 working capital at the end of 1940 against an excess of current liabilities over current assets of $47,685 the previous year.

President C. D. H. MacAlpine told shareholders further work was carried out on the sulphur process with the aim of recovering by-product metals present in the pyrite with promising results.

A geophysicist was added to the geological staff to allow more thorough prospecting in 1940.

Income and Deficit Account
Years Ended Dec. 31

	1940 $	1939 $
Metal production	1,896,881	1,578,788
Less: Mktg. charges	827,115	697,228
Add: Prem. on exch.	......	59,349
Other income	*	2,263
Net income	1,069,766	943,172
Less: Mining	408,809	329,900
Milling	322,302	295,962
Other oper. exps.	105,419	95,482
Sal. exec. officer	6,000	6,000
Legal fees	2,255	1,050
Net oper. profit	224,981	214,778
Less: Depreciation	84,394	42,197
Bond & note interest	27,711	24,275
Development w/o	128,692	133,492
Taxes	5,000	500
Net loss	20,816	†14,314
Add: Prev. deficit	276,283	290,596
Dev. & deprec. adj.	88,841	......
Deficit forward	385,940	276,283

*Included in metal production in 1940.
†Profit.

No. of Shs. Outstand.	5,024,356	5,024,356
Working Capital		
Current assets	436,527	217,887
Current liabilities	304,918	265,572
Working capital	131,609	*47,685

*Excess of current liabilities over current assets.

Home Oil

With net production almost tripled at $655,711, Home Oil Co. had net profit of $98,525 or 5.6 cents a share in 1940 against $1,940 profit in 1939. Before arriving at the 1940 net profit figure, $202,141 was written off for development, $77,191 for depletion and $100,340 was set up as a tax reserve.

During the year $885,782 was spent on drilling and equipment including $722,906 for Turner Valley. This total was $429,969 in excess of operating income after allowing for provision for taxes.

President R. H. B. Ker said the board believes the time has arrived "for adoption of a policy leading to payment of dividends."

Acreage holdings in Turner Valley have been increased by 680 acres to 11,240 acres. A total of 22,746 acres has been retained on the Brazeau structure where drilling was unsuccessful.

It is planned to ask shareholders to reduce the number of directors and to remove direct control of operations to Alberta.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Production, less roy.	655,711	220,829
Invest. revenue	30,064	47,077
Other income	13,887	......
Total income	699,662	267,906
Less: Oper. & ad. costs	100,944	57,237
Lease rentals, taxes	13,171	12,503
Exec. sals. & fees	18,160	17,737
Directors' fees	2,040	1,850
Legal fees & exps.	9,193	5,929
Organ. exp. w/o	......	892
Net earnings	556,154	171,758
Less: Depreciation	35,814	22,528
Development w/o	202,141	121,286
Depletion	77,191	5,844
Invest. reserve	33,706	......
Conting. reserve	8,437	......
Tax reserves	100,340	20,160
Net profit & surplus	98,525	1,940
Add: Prev. surplus	86,565	84,625
Surplus forward	185,090	86,565
Earnings per Share and Dividend Record:		
Earned	$0.056	$0.001
None paid.		
No. of Shs. Outstand.	1,760,000	1,616,016
Working Capital		
Current assets	618,015	575,955
Current liabilities	233,035	35,284
Working capital	384,980	540,671

Towagamac Exploration

With 3 cents a share in dividends received on holdings in Francoeur Gold Mines, Towagamac Exploration Co. in 1940 realized its first profit in years. Earnings were equal to $11,766 or 1 cent a share, against a loss of 3 cents a share the previous year.

Working capital amounted to $54,461 at the end of 1940, against $42,805 a year previous.

Only change in shareholdings reported in 1940 is increase of 8 shares in Lake Geneva Mining Co. At end of 1940, shareholdings were as follows: Aldermac Copper Corp., 1,040,765 shares; Francoeur Gold Mines, 642,000 shares; and Lake Geneva Mining Co., 487,834 shares. Market value of Francoeur shares was $321,000, Aldermac shares were worth $156,115, and Lake Geneva shares were valued at $29,270.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Investment revenue	19,110	......
Less: Oper. exps.	7,344	7,920
Loss on invests.	......	30,660
Net profit	11,766	*38,580
Less: Prev. deficit	377,406	338,826
Que. profits tax	111	......
Add: Adjustment	8,451	......
Deficit forward	357,300	377,406

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.01	d$0.03
None paid.		

d Deficit.

No. of Shs. Outstand.	1,376,666	1,376,666
Working Capital		
Current assets	55,166	43,501
Current liabilities	705	696
Working capital	54,461	42,805

Franco Oils

"Due to war we have had to curtail operations because of difficulty of securing funds for our development programme," President W. F. Thorn states in the 1940 annual report of Franco Oils.

The report lists Cardston Gas & Development Co., Northern Natural Gas Co., and Oil & Gas Development Co. as wholly owned subsidiaries with Franco Public Service and Davis Fisher Ltd., wholly owned subsidiaries of Oil & Gas Development Co. A two-thirds interest is held in Lloydminster Royalties and over a third interest is held in each of Battleview Oils & Vermilion Oils. A stock interest is held in Triangle Gas & Oil Co.

It is planned to finish both Franco wells on the Cardston structure this year. Negotiations are still being carried on to provide capital for a gas pipe line so Northern Natural Gas Co. can supply gas for Saskatoon. Franco Public Service expects to complete its gas pipe line to Vermilion this spring.

One crude well has been completed by Franco in the Battleview-Vermilion in 1940 and two others are to be completed. Battleview No. 2 and No. 3 wells were successfully completed as crude wells and resulted in much additional Battleview drilling. Vermilion Oils has established a huge gas field in the Vermilion area. Sand intrusion has not yet been overcome in the Lloydminster field. Structures are being investigated in the Unity-Vera and Lone Rock areas. An interest is also held in properties in the Steveville Area.

No financial statement is published in the annual report.

McWatters Gold

"Since the new year, results on the 1,200-ft. level of McWatters Gold Mines indicates a possible new ore body," W. J. Hosking, mine manager, states in the annual report.

Ore samples for a length of 100 ft. on the 1,200-ft. level have averaged 0.27 oz. Diamond drilling shows ore 50 ft. above the level but diamond drilling below the 1,200-ft. level has not yet shown ore there.

Bullion production dropped from $459,123 to $408,586 in 1940, although the 43,234 tons milled was 9,700 tons greater than in 1939. With production lower, earnings dropped from 5.8 to 2.1 cents a share. Working capital was increased from $234,192 to $313,330.

Ore reserves of 45,600 tons at the end of 1940 were valued at $446,000 against 57,500 tons and $705,500 value a year earlier (Gold at $35).

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion produced	408,586	459,123
Less: Diamond drilling	17,505	9,748
Development	69,478	85,200
Mining	108,851	83,916
Milling	71,018	59,529
Reclaiming tailings.	......	1,666
Office expense	13,112	12,545
Exec. sals.	1,500	1,400
Directors' fees	220	240
Marketing bullion	5,263	6,004
Camp maintenance.	24,713	22,000
H. O., gen. & admin.	3,687	3,408
Taxes	6,537	15,490
Prov. for sub. deficit.	29	213
Operat. profit	91,673	157,764
Add: Interest earned	1,361	1,825
	93,034	159,589
Less: Depreciation	54,274	50,882
Net profit	38,760	108,707
Less: Dividends	......	374,502
Surplus for year	38,760	*265,795
Add: Prev. surplus	10,628	276,423
Profit on equip.	258	......
Surplus forward	49,646	10,628

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.021	$0.058
Paid	nil	0.20
No. of Shs. Outstand.	1,872,506	1,872,506
Working Capital		
Current assets	339,688	460,456
Current liabilities	26,358	226,264
Working capital	313,330	234,192

Francoeur Gold

Highlights of the 1940 annual report of Francoeur Gold Mines are:

Earnings up from 1 to 3.5 cents a share.

Ore reserves increased over 100,000 tons to 228,000 tons averaging 0.262 oz. gold per ton.

Additions to mill capacity, raising production rate from 154 to 219 tons daily.

Development of two flat-raking ore bodies in the new No. 8 ore area where most development was carried out.

The No. 8 zone was explored by a crosscut put out to the north from the second level of No. 2 shaft. No work was done at No. 1 shaft but No. 8 zone now appears to overlap this area. This fact with geological data from No. 2 shaft suggests new ore possibilities for No. 1 shaft area. Preparations are now under way to extend the third level of No. 2 shaft to the No. 3 ore area where a substantial tonnage of 0.2 oz. grade ore is said to be indicated by drilling.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion recovery	465,114	98,433
Concentrates	......	261,409
Total recovery	465,114	359,842
Less: Development	35,878	26,700
Mining	85,870	83,611
Milling	72,332	61,676
Smelting charge	......	25,240
Gen. & admin. exp.	51,297	46,438
Operat. profit	219,737	116,177
Less: Depreciation	33,737	32,025
Development w/o	57,913	57,505
Taxes	22,956	3,332
Net profit	105,131	23,314
Less: Dividends	89,514	......
Surplus for year	15,617	23,314
Add: Prev. surplus	18,518	*4,797
Surplus forward	34,135	18,517

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.035	$0.01
Paid	0.03	nil
No. of Shs. Outstand.	2,983,333	2,983,333
Working Capital		
Current assets	141,556	71,100
Current liabilities	45,778	60,977
Working capital	95,778	10,123

Canada Not the Answer To U.S. Zinc Problem

It has been suggested by a U. S. financial weekly that Canada and Mexico may solve a threatened zinc shortage for the United States.

As far as aid from Canada is concerned, it does not appear that the United States will be able to augment its supplies to any marked extent. This country has faced its own refined zinc shortage for some time now. As further brass manufacturing facilities come into operation, this shortage may become even greater.

Might Get U. K. Zinc

If any zinc can be supplied to the United States it will likely be zinc earmarked for the United Kingdom. Authorities there might prefer to have zinc diverted to the United States to allow completion of United Kingdom orders placed in the United States some time ago. Diversion of zinc to the United States in this way has already taken place on occasion, it is understood.

May Have to Ration

If further supplies of zinc cannot be secured from Canada or Mexico to fill the gap, civilian uses may have to be rationed so that the United States war effort will not be hindered.

At the present time the United States has an estimated 72,000 tons of refined zinc available. Consumption is eating into these stocks at the rate of 13,000 tons monthly. New refining facilities will come into operation in the United States in the third quarter of this year which will bring output to 70,000 tons a month, but by that time consumption may be far beyond the present 70,000 tons a month mark. The United States and Canada will both continue to face the danger of an acute shortage of zinc supplies, it appears.

Mining Enquiries

Aunor Gold

Please give me some idea on the present earnings of Aunor Gold Mines?

How do values seem to be standing up in work at depth?

The annual report of Aunor Gold Mines for 1940 showed net profit of nearly 25c. a share for the year. As earnings for the first half of the year were only 5.6c. a share, it appears that current profits are running at a level of perhaps 40 cents a share per annum, with three years' ore reserves ahead for the company's mills. An initial dividend of 4 cents a share was declared recently.

Development at a new depth is just getting well under way and is apparently resulting in a substantial addition to ore reserves. This could possibly result in a decision to increase mill capacity.

In considering the present level of profits it must be remembered that treatment of a higher average grade of ore is being stressed to help give the country a large gold production. At some later date it may be necessary to treat a slightly lower grade with somewhat reduced profits. The prospect of increased mill capacity, however, seems to offset the possibility of reduced profit from treatment of lower-grade ore.

East Malartic

What is the current outlook for East Malartic Mines? Does the situation seem to be improving? Would you say recent difficulties have impaired long-term growth possibilities?

Production and earnings of East Malartic Mines are expected to take a turn for the better about next June when higher grade ore will be available from new stopes being opened up on the lower horizons. Earnings last year would have been much higher than the 39 cents a share actually realized if grade of ore milled the last half of the year had not dropped due to excessive dilution and the necessity of working stopes which carried lower than average grade ore.

A method of mining is now being adopted which will give lower dilution of ore and consequently a higher average grade of ore to the mill. This new method of mining, however, will involve an increase of approximately $1 a ton in operating costs. It is hoped that the increased cost will be offset by the higher grade of ore.

For the future, diamond drilling from the stations at 970 to 1,570 ft. depth suggests that ore continues downward as strong and as rich as on the upper horizons. Development has been somewhat behind the mill and will continue so for some time but eventually there appears to be a good prospect of a higher milling rate and greater earnings. A higher milling rate might mean some further reduction in costs, it is believed.

Golden Gate Opens New Ore Shoot

Drifting in ore has been carried 50 ft. by Golden Gate Mining Co. at the 475-ft. level in a section 80 ft. west of the previously known ore zone. Face sampling of this length has given an average of $13.72 across 5 ft. with a diamond drill 60 ft. ahead of the face stated to give excellent values.

Further drifting is now under way to prove the importance of the new find. Possibilities of the new ore are enhanced by ownership of the adjoining Crescent Kirkland property, where ore is being mined at a point 2,500 ft. away.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

INDEPENDENT ROYALTIES NO. 1
This well is now completed and testing and should be on production within a few days. It gives every indication of being a big well. **Location:** Township 19, R 3 W.—in the immediate vicinity of Arrow 1 & 2, Calmont N. W. 1 & 2, Okalta 9 & 10, Twin Valley, Atlas, etc. This Preferred royalty is an attractive speculation at present prices. Ask your local Royalty dealer for full particulars and price.
McDERMID, MILLER & McDERMID LIMITED
Investment Dealers
525 Seymour Street, Vancouver, B.C.
Telephone Sey. 7227—Private Exchange

Week in Oils

From Our Own Correspondent

CALGARY.—Turner Valley's current wave of successful well completions will apparently maintain the oilwell allowable at the current 26,000 bbls. per day for the balance of the spring. At the same time it is expected to ease the current steady strain on existing wells and permit building up a reserve productive capacity that will be invaluable in maintaining a high rate of production this summer, when the number of completions per month is expected to be below the current rate.

A substantial number of wells recently spudded, or about to spud, will be completed during the fall months, and are expected to serve the same purpose as the current wave of completions in so far as fall and winter production is concerned.

* * *

Expect Uniform Output

The outlook for the balance of 1941, therefore, is for fairly uniform production of approximately 26,000 bbls. per day, rather than a temporary upward surge of production following the completion waves, and reduced production during the months when completion production is inadequate to cover the normal productivity decline of existing wells.

* * *

Two more Turner Valley wells reached completion last week, increasing the number of testing wells to six, and a further two wells were expected to complete by the middle of this week.

The two new completions, both on central west flank of the structure, are: Calmont Northwest No. 3, in L.S.D. 4 18-19-2w5, completed at 8,060 ft., 448 ft. in Madison lime; and Regal Royalties No. 1, in L.S.D. 14 24-19-3w5, completed at 8,270 ft., 493 ft. in the lime. Calmont Northwest was cleared of drill fluid and given an initial wash treatment of 1,000 gallons of acid during the Easter week end. Producing with booster gas aid, it was yielding about 25 bbls. hourly. A further acid treatment was to be applied. Regal Royalties well was being cleared early this week, with initial acid shot slated to go into the hole shortly. Both wells are expected to rate as substantial producers.

* * *

Major 1 Being Completed

Being completed this week were two drill tests in the north end of the field—Foothills No. 8 and Major Oil Investments No. 1. The Foothills well is drilling below 470 ft. in the lime over 8,065 ft., while Major No. 1 was below 6,959 ft., 553 ft. in the Madison. Both wells are offset by better than average producers.

Of the four wells previously completed and now on test, at least three are now rated as average or better than average producers. Royalite No. 54, which showed a flush yield of 1,982 bbls. in 24 hours following completion of acidizing, is now on Conservation Board test to determine allowable. It is expected to receive an allowable of at least 400 bbls. per day. Anglo Canadian-Phillips No. 2, which flowed 545 bbls. in 24 hours following acidization, is also on test to determine allowable. Allowable is expected to be between 200 and 300 bbls. per day.

* * *

Independent at 700 Bbls.

Independent Royalties No. 1, following a series of light acid treatments totalling 4,350 gallons, was flowing steadily under its own power at about 700 bbls. per day. A final acid treatment was being applied early this week, after which tests to determine allowable will be made.

The fourth well, Okalta Royalties No. 10, is still undergoing acid treatment, with the latest report showing just over ten barrels hourly with aid of booster gas. Further improvement in flow, however, is expected, and the well should rate as a fair producer.

* * *

Princess 4 Near Completion

Standard Oil of British Columbia's Princess No. 4 well in the Princess oilfield was expected to test the Sunburst oil sand this week. Core drilling has been proceeding below 3,158 ft. with the top of sand expected about 3,165 ft. The well is logging about 30 ft. shallower than Princess No. 3, which found production in the sand between 3,195 and 3,217 ft. No. 4 is located half a mile due south of No. 3.

Anglo-Steveville No. 3 well was also near completion in the Princess field this week.

* * *

Spud Princess No. 5

Standard's Princess No. 5 well was spudded in last week end by the Dominion Drilling Co., and was carried to 505 ft. in a few hours. Drilling to completion was to be resumed the middle of the week.

Standard's Princess No. 6 well will be spudded in the near future. Can-Tex Drilling Co., contractor for the test, has brought in another light rotary rig from the United States and is now moving it into the location.

Chesterville Net At High Level

Chesterville Larder Lake Gold Mining Co. reports net profit from Dec. 16, 1940 to Mar. 15, 1941, was $121,117 after all charges, or 7 cents a share.

Based on this figure, earnings are currently running at the rate of 28 cents a share per annum, considerably in excess of the 18.7 cents a share realized after all charges in the year ended Dec. 15, 1940.

The company is now shaft sinking below 550 ft. to allow commencement of its exploration programme at depth. Diamond drilling carried out from the present workings has given numerous ore intersections.

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Fifty-five Tests of Good Mine Investment

Sixth Honorable Mention Contest Winner's Choice

This week The Financial Post presents the sixth of the honorable mention portfolios in its contest on "Investing in Canada's Mines." The entry is that of James M. Hazelton, Canadian mining engineer.

As was the case with prize-winning entries and portfolios published here in recent weeks, opinions expressed are those of the writer and do not necessarily represent those of either The Financial Post or the contest judges.

By JAMES M. HAZELTON

A conscientious young mining student once asked a professor what were the essentials of a good mine. The professor answered: "One that can stand mismanagement, rascality and ignorance and still pay dividends."

I believe Canada's mining industry is not only on as sound a foundation as any other major industry, but that Canada's mining industry has been constructed on a much broader and sounder basis than any other major industry in the Dominion. Moreover, the development of the industry as a whole has adhered more closely to economic laws than any other industry of importance.

Last year, this year, next year, and for many years to come, Canada's mining industry, particularly its gold mining division, has been and will be the backbone of the economy of the Dominion.

Needs Only Sane Laws

Canada's mining industry is the only major industry that will not need injections of Government vitamins, in some form or other, after the war. The only requirements of the industry are sane laws and something less than confiscatory taxes.

Here are tangible yardsticks by which you can determine the real value of your mining investment:

What are the geological features of the area in which the mine is located?

Is the general geology favorable? Is the area underlaid by basic volcanic or sedimentary rocks or both, or are the Keewatin volcanic rocks in contact with sedimentary rocks? Are there are any major intrusive acid volcanic rocks, such as phases of algoman granite or porphyry, which indicate that extensive chemical action has taken place??

Are the structural features favorable?

Has there been extensive folding of the different series of rocks?

Is there a major syncline or anticline along the axis of which mineral solutions could have flowed and been precipitated in volume?

Has the area been subjected to extensive faulting, fracturing, shearing, or otherwise ruptured to serve as a source of access for the mineralized solutions?

What Kind of Deposit

Having found the geological and structural features to be favorable, you now want to examine the mineral deposit closely. Is it a primary, secondary or replacement deposit?

Does the ore occur as a mineralized dike, contact orebody, stockwork type or lode deposit, mineralized carbonate zone with regular or irregular quartz lenses, quartz veins, lentical in type, quartz veins containing shoots of ore, true fissure veins, or a series of chimneys of ore, or, are the veins of the flat blanket type?

Whatever the type of orebody, it must show sufficient width and continuity and be of sufficient grade that it can be mined with a profit.

If the host rocks are favorable for the deposition of ore, and the fracturing, shearing, or rupturing has been on a major scale, you can expect to find a large deposit. If rocks enclosing the orebody have not been too badly folded, and contorted, we know that the orebody can be mined without excessive dilution. If the ore channel follows a major syncline or anticline or definite contact or fault plane, we can expect a much longer ore deposit below the surface than the original exposure, or we will likely find several orebodies in sequence along the axis of the syncline or anticline or contact or fault. If minor faulting has occurred we can judge to what extent the orebody may be displaced and to what extent the ore will be diluted or whether mining costs will be increased to such an extent that the ore body will become non-commercial.

Is It Readily Milled?

Having established the fact that the area contains extensive ore occurrences with seemingly commercial amounts of one or more minerals, we must carefully test the vein matter to ascertain whether or not there are any other minerals, or other substances present, that will seriously interfere with the extraction of the commercial minerals in the ore deposit. Having come to the conclusion that there are no metallurgical difficulties that cannot be overcome at a moderate cost, and that preceding findings have been satisfactory, we turn our attention to the operating mines in the area to find the one in which we can safely invest our capital.

First we make sure that the company has a clear title to its property and that its acreage amply covers the ore occurrence along its strike and dip. Having found these in order, take the financial and operating statements of the company and dissect them thoroughly.

Before getting entangled with a lot of figures that may not mean anything, first give the whole personnel of the organizations from the president to the mucker on the lowest level of the mine a third degree examination. Take the attitude of Einstein, namely—that truth is only relative, and don't be misled by the slightest distortion of facts or the omission of data that might have a far-reaching effect on the long term stability of the enterprise.

Are officers of the company constructive businessmen, possessing a little hindsight and plenty of foresight, or are they grandsons or nephews of men who possessed these qualifications? Will their business ethics stand close scrutiny? Have they permitted the mine management and staff to operate and develop the mine according to orthodox mining methods, or have management and staff been ingeniously coerced into operating and developing the mine according to the trend of the stock market? Are they men of integrity? Have they shown sound business judgment in investing the surplus earnings of the company?

Now turn to the operating staff and see what type of men are conducting the actual operations of the mine.

Has the general manager won distinction in the mining world by some outstanding achievement, or did some phenomenally rich mine such as some in the Cobalt Camp, create a reputation of achievement for him?

If he is a man of constructive ability, has he surrounded himself with an intelligent and efficient staff to supervise each division of the organization: the geological and engineering, analytic, metallurgical and research, development, and mining, milling, smelting and refining, marketing and accounting departments?

Examine Development

Now look at the mine.

What is the daily tonnage?

What is the average grade of ore treated per day?

What are the operating costs per ton of ore mined?

What are the operating costs per ton of ore milled?

What are the operating costs to produce a pound of base metal or one fine ounce of precious metal?

What are the total costs in each case?

What is the percentage of drifting in ore? Is it normal, subnormal or much above normal, thus lowering development costs and making it exceptionally easy to increase positive ore reserves at any time?

What is the margin of profit per ton? Will the profit margin be seriously affected by higher costs of material and wages on account of the war?

Are the amounts allotted for depletion and depreciation sufficient, or are they too large, thus hiding real profits?

Does the company carry a deferred development account and charge current development against it, instead of the operating account, so as to create seemingly low operating costs?

Does the company charge shaft sinking, shaft timbering and station cutting against capital account to be written off at a later date, or does it make the deductions against current operating, thus paving the way for low operating costs in later years?

What is the positive ore reserve position of the mine?

Considering the rate of production, is it adequate, or does it signify that the rate of production can be increased and maintained at its increased rate, thus providing more profits?

What is the broken ore reserve? Is it large enough to enable the company to weather a strike, power shortage, or some other impediment to development and production?

In computing the positive ore reserves, what method is used? Is the positive ore blocked out on four sides, three sides, or two sides and supplemented by diamond drill holes?

In computing probable ore, has the company based tonnage and value on lateral work and diamond drilling, or by diamond drill holes alone?

Has sampling been thoroughly and efficiently carried out?

Are the values in the ore bodies so distributed that an accurate estimate can be made of the total value of the metals that will be recovered?

In computing ore reserves, what percentage has been allowed for dilution and possible errors?

Examine Milling Record

Next give your attention to the mill, smelter and refinery, and research departments:

Is the recovery of a high percentage of the metals being made at a reasonable cost?

Is the metallurgical and research department actively engaged in increasing the percentage of recovery, or in finding new uses for the metals produced?

How is Capital Structure?

Now that we have found a satisfactory mine that is well operated and is making a fair profit, look over the capital structure and see if it is as it should be:

Are there any bonds, debentures or preferred stocks, or other obligations, ahead of the common stock?

What percentage of net earnings is required for fixed charges? Is the common stock the only capital liability?

Is the outstanding capital position so large that production must be maintained at an inordinately high rate in order to pay dividends on it, or is the mine capable of earning profits on a much larger capital?

Is the outstanding stock closely held or widely distributed?

What percentage of the stock is held by brokers and traders?

What percentage of stock is held by investors?

Is it listed on any important exchange?

Would it be partially protected during a panic, or could it stand a selling wave on the market?

What is its loan value at the bank?

Are the company's earnings subject to the excess profits tax?

What is the working capital position? Is it sufficient to cover any contingency that might arise?

What is the capital surplus?

Does it indicate that the company had been able to dispose of original capital shares at a premium, or does it indicate that the company was able to complete all the capital expenditures under the original estimate, leaving a balance in the capital surplus account?

What is the earned surplus?

What Are Investments

Are the surplus funds invested in government, utility or railway bonds, or other securities bearing a fixed rate of interest, or are the funds invested in industrial common stocks and shares in other mining companies, or does the surplus account consist of a well diversified list of interest-bearing and dividend-paying securities?

Are part of the funds invested in foreign securities that may be affected by exchange rates, the prolongation of the war, or other factors?

Is part of the surplus investment income used to pay dividends, or is it allowed to accumulate?

Does the company balance sheet contain a contingency account that is being used solely to hide excess profits, or one that shows a real contingent liability that might at some future date impede company progress?

What are the gross earnings?

What are the net earnings after proper allowance for depletion, depreciation and taxes?

What are the net earnings per share?

What percentage of net earnings is being paid out in dividends?

What has been the dividend record of the company?

Can we conservatively estimate what the net earnings before taxes will be for the next decade and what percentage will likely be paid out in dividends? As the rate of taxation cannot be calculated by anyone, this will have to remain the one and only undeterminable factor.

What is the market price of the company stock?

How many times earnings is it selling at?

Has the market price already discounted the future earning power of the company, or is the stock still undervalued according to standard methods of estimating market value of mining securities?

Essential Qualifications

After summarizing all the data, we come to the conclusion that a sound mining investment must have the following qualifications:

A major ore body, or series of ore occurrences, whose geological and structural features indicate that volume of ore and values will persist to great depth.

No serious metallurgical problems that cannot be overcome.

Men of business ability and accumen as officers and directors. Capable and efficient management, competent staff, modern plant and equipment.

Adequate working capital.

A safe margin between grade of ore treated and cost of treatment. Broken ore reserves sufficient to ensure continuous production. Not less than four years positive ore in reserve. Adequate development to maintain ore reserve position.

Moderate capitalization and sound accounting practice.

Retention of part of the net earnings, so that the treasury will always have funds on hand to grasp new opportunities that may prolong the life of the mine.

The company's capital stock must be listed on a recognized stock exchange, so that it will not become a frozen asset. By listing the capital stock the company assists the banks in establishing its collateral values.

Company's capital stock should not sell for more than 15 times its net earnings per share, unless some unusual factor justifies a greater ratio between earnings and market price.

The greater the number of shares held by traders and brokers, the greater the fluctuation in the market price of the stock. Therefore, a sound mining investment must mostly be owned outright by investors.

As Dominion income tax laws permit a deduction of 20% for depletion from mining investment income, this should be a substantial inducement for capitalists to invest their funds in dividend-paying mines.

Now Highly Stable

Canadian mining is not the hazardous, speculative business that it was 30 years ago. During the past three decades the mining industry has been transformed from an erratic, speculative, but highly profitable business, to the most stable and scientific accomplishment in the Dominion.

This has been brought about by sane legislation, geological, engineering and metallurgical skill, scientifically applied and backed by constructive capital.

The stability of the mining industry ensures safety of principal and the high yield obtained, amortizes the principal in a shorter period of time than any other industry, and giving at the same time a higher rate of income than could be obtained from any other class of investment.

I submit a list of eight mining stocks that will stand the closest investigation and fulfil all the requirements of the most conservative investor:

The first because it is the soundest investment in all Canada. Twenty years from now its ore reserves will not be a ton less than they are today, and 40 years from now they will likely be the same. I was assayer and chemist for the company when its stock sold for less than a dollar a share, so I have many reasons for making these statements.

The second because it possesses soundness, diversification, good dividend returns and unlimited possibilities of expansion.

The third because it has one of the longest ore structures in the world, modest capital, plus excellent and very farsighted management. Ten years from now it will be a really great mine.

The next five are all in the growing stage and will create remarkable records during the next 20 years.

I would advise the investment of part of the 1941 dividends in the purchase of the last stock marked on the list, and the financing of one prospecting party.

Selects These Stocks For $25,000 Investment

Shares	Company	Price When Chosen $	Cost $	Indicated Dividend $	Annual Return $	Indicated Yield %	Price Now $
50	McIntyre Porcupine	49.00	2,450	3.33	166.50	6.80	48.00
50	Noranda	55.00	2,750	4.00	200.00	7.27	53.00
1,000	Sigma Mines (Que.)	8.75	8,750	*0.45	450.00	5.14	7.25
1,000	San Antonio	2.55	2,550	0.20	200.00	7.84	2.28
1,000	Kerr-Addison	3.80	3,800	*0.30	300.00	7.89	3.50
1,000	MacLeod-Cockshutt	2.19	2,190	0.20	200.00	9.13	1.80
1,000	Broulan Porcupine	0.97½	975	0.12	120.00	12.31	0.84
500	East Malartic	2.80	1,400	0.40	200.00	14.3	2.55
			24,865		1,836.50	7.38	

* Estimated for 1941.

Classification:	Investment	Anticipated Dividends	Indicated Yield
Gold stocks	$22,115	$1,636.50	7.40%
Copper-gold	2,750	200.00	7.27%
Total	$24,865	$1,836.50	7.38%

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Mining Company Reports

Eldorado Gold Mines

Increased operating costs more than offset an increase in gross income from $923,607 to $983,835 for Eldorado Gold Mines in 1940 with net profit declining from $153,947 to $50,096. Earnings were equal to 1.3 cents in 1940 against 3.9 cents in 1939.

Balance sheet as at Dec. 31, 1940, showed current assets of $2,086,399, including $236,621 of accounts receivable and $1,795,915 of inventories. Current liabilities were $917,062, leaving working capital of $1,169,337 or slightly less than the $1,196,840 a year previous. Following collection of 83% of the accounts receivable and other revenue, current liabilities had been reduced to $584,273 by March 1, 1941.

In June, 1940, a decision was reached to close the mill. Ore reserves had been maintained with a value of approximately $9,066,700. Stocks of concentrates at or en route to the mine are stated sufficient for three years at the current rate.

Of total 1940 sales, 60% of radium sales and 50% of uranium sales were made in U. S. dollars. Northern Transportation Co. continued to increase its business in 1940.

Income and Surplus Account*
Years Ended Dec. 31

	1940 $	1939 $
Gross income	983,835	923,607
Less: Oper. exps.	776,899	546,927
Oper. profit	206,936	376,680
Add: Non-oper. profit	3,754	3,559
Gross profit	210,690	380,239
Less: Depreciation	130,471	147,844
Development w/o	24,123	50,160
Profit taxes	6,000	28,288
Net profit	50,096	153,947
Add: Prev. surplus	1,027,231	918,277
Surplus re. cls. sale	201,601	201,601
Adjustments	16,183	......
Less: Subsc. adjust.	71,000	......
Shares w/o	217,818	......
Adjustments	......	44,993
Development w/o	613,250	......
Surplus forward	393,043	†1,228,832

*Consolidated statement.
†Including surplus re sale of claims.

Earnings per Share and Dividend Record:		
Earned	$0.013	$0.039
None paid.		
No. of Shs. Outstand.	3,905,046	3,905,046

Working Capital		
Current assets	2,086,399	2,191,707
Current liabilities	917,062	994,867
Working capital	1,169,337	1,196,840

Buffalo Ankerite

Higher development costs, generally larger mine and mill operating costs and an increased charge for depreciation, combined to reduce profits of Buffalo Ankerite Gold Mines sharply in 1940. Net earnings were $142,556 or 20 cents a share against $557,526 or 79 cents a share in 1939.

Completion of large capital expenditures for mine and mill improvements will now allow the company to accumulate a portion of profits for dividends, Edward G. Kinkel, president, told shareholders. Modernization of the milling plant means a saving of 26 cents a ton in tailings on 1,200 tons milled daily.

Ore reserves were increased by 204,945 tons in 1940, amounting to 822,135 tons averaging $7.61 a ton at Jan. 1, 1941, compared with 617,190 tons of $8.94 grade a year before. Production in 1940 was $2,508,556 from 378,337 tons of ore milled against $2,625,952 from 360,014 tons in 1939.

All levels from 350 to 2,000 ft. contributed to production in 1940. Mining above the 750-ft. level was mostly of a salvage nature. In the south zone, stope preparation was commenced about the middle of 1940. Shrinkage stoping is well advanced on the 1,400 and 1,500-ft. levels of the north zone. Development of the 1,700, 1,800 and 2,000-ft. north levels was postponed pending completion of exploration in the south area.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Bullion recovery	2,508,556	2,625,952
Add: Ore in solution	269	......
Less: Mining	1,106,619	1,014,522
Milling	322,182	289,732
General	192,832	178,378
Devel. & explor.	232,314	168,621
Operat. profit	654,878	974,699
Add: Interest	1,478	7,203
Misc. income	2,183	......
Gross income	658,539	981,902
Less: Develop. w/o	164,165	90,004
Depreciation	315,796	258,229
Income taxes	36,022	76,143
Net profit	142,556	557,526
Less: Dividends	129,811	613,969
Surplus for year	12,746	*56,443
Add: Prev. surplus	851,007	903,097
Duty rebate	1,843	2,282
Inc. tax adjust.	17,643	......
Profit on assets	4,194	2,071
Less: W'kmen's comp.	11,732	......
Development w/o	284,351	......
Loss on invests.	755	......
Balance forward	590,594	851,007

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.20	$0.79
Paid	0.185	0.87½
No. of Shs. Outstand.	701,679	701,679

Working Capital		
Current assets	291,011	451,859
Current liabilities	187,162	301,887
Working capital	103,849	149,972

Consolidated Smelters

Features of the condensed annual report of Consolidated Mining and Smelting Co. for 1940 are as follows:

Reduction in net earnings from $2.85 to $2.77 a share with $4.2 millions allowed for taxes in 1940 against $2.3 millions the previous year.

Increased production "in practically all departments" with no details given out due to war.

A rise in working capital from $10.5 to $13.7 millions, the highest figure in many years.

"Substantially higher" capital expenditures largely in connection with increases in plant for war purposes, construction of a power plant at Yellowknife and placing the Pinchi Lake property in production.

While mining costs at the Sullivan mine were slightly higher in 1940, milling costs were a little lower with the combined cost of mining and milling remaining unchanged. Grade of ore mined was slightly higher than in 1939. The concentrator demonstrated that it could handle a very much increased tonnage without any serious drop in recoveries.

Operation of the chemical and fertilizer plants is stated to have been very successful in 1940. In the case of some products such as fertilizer, it was found difficult to supply the demand last year.

Total profits from gold mines and the new mercury mine were $1,077,000 in 1940. At the Con mine in the Yellowknife area ore reserves were increased from 53,720 tons of 0.86 oz. grade to 130,460 tons of probable ore grading 0.61 oz. and 175,000 tons of indicated ore averaging 0.37 oz. per ton.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Gross sales	*	35,469,810
Ore on hand	*	7,949,124
	*	43,418,934
Less: Ore prev. year	*	9,533,088
Cust. ore, etc.	*	2,097,414
Total production	*	31,788,432
Less: Min., smelt., etc.	*	16,537,976
Develop. expense	*	721,090
Freight & ins.	*	950,572
Operat. profit	16,119,136	13,578,794
Less: Exec. fees, etc.	135,887	161,704
Directors' fees	48,500	41,695
Net operat. profit	15,934,749	13,375,395
Add: Invest. income	1,704,543	1,750,365
Gain, bonds & bills	8,571	......
Rents & sundry	......	71,129
Net earnings	17,647,863	15,196,889
Less: Int. & exchange	......	106,882
Depreciation	2,434,830	2,464,582
Depletion	1,217,897	926,256
Taxes	4,200,000	2,280,000
Pension fund	732,909	23,000
Sundry items w/o	......	56,583
Net profit	9,062,227	9,339,586
Less: Dividends	7,367,454	6,540,672
Surplus for year	1,694,773	2,798,914
Add: Prev. surplus	6,372,851	3,573,937
Less: Appropriations	2,000,000	......
Surplus forward	6,067,624	6,372,851

*Not shown in 1940 report.

Earnings per Share and Dividend Record:		
Earned	$2.77	$2.85
Paid	2.25	2.00
No. of Shs. Outstand.	3,275,919	3,271,669

Working Capital		
Current assets	25,330,798	21,208,501
Current liabilities	11,626,170	10,672,839
Working capital	13,704,628	10,535,662

Premier Gold

Reflecting increased revenue from associated enterprises, Premier Gold Mining Co. earnings rose from 9.7 to 11.7 cents a share in 1940. After payment of the usual 12 cents a share in dividends, working capital was over $100,000 higher at $948,393.

With production declining due to treatment of lower grade ore from the hanging wall portion of the vein, production at Big Bell Mines in western Australia declined slightly, although a larger tonnage of ore was milled. Net profit for 1940 was estimated at £124,600 Australian before depreciation or depletion, compared with £225,200 in 1939 and £349,479 in 1938 on the same basis. Premier revenue from this source dropped from $247,668 in 1939 to $154,793 in 1940. The decline was more than offset by increased dividends from Toburn Gold Mines, a $101,250 dividend from Relief-Arlington Mines and a $45,424 profit on U. S. exchange.

On Jan. 25, 1941, a 55% interest was acquired in financing of Partanen Malartic Gold Mine, Malartic area, Que., through the Partanen subsidiary Parbec Gold Mines. Nine months is allowed for drilling and other investigation of the property and decision on shaft sinking. If a decision is reached to sink a shaft, two years is allowed to decide whether sufficient ore is available to install a mill. Expenditures of Premier, Toburn (which has the remaining 45% interest in the financing) and of Partanen would be returned out of first profits with 5% interest. Premier and Toburn would acquire a 70% interest in Parbec Gold Mines if the option is completed. Shares were received for the company's interest in Saudi Arabian Mining Syndicate in 1940.

Income and Surplus Account
Years Ended Dec. 31

	1940 $	1939 $
Revenue:		
Toburn dividends	298,001	238,401
Silbak-Prem. divds.	200,000	200,000
Big Bell divds.	154,793	247,668
Relief-Arl. divds.	101,250	......
Neptune 5% debts.	10,455	18,388
Dom. bond int.	795	......
Rel. Arl. deb. int.	......	800
Prof. on exchange	45,424	......
Total revenue	810,718	705,547
Less: Admin. expenses	8,108	7,720
Misc. expenses (net)	17,489	15,632
Properties dropped	16,407	26,137
Income taxes	46,200	64,200
Porter-Idaho w/o	6,154	7,048
Continental K. w/o.	......	81,666
Beaverhouse Lake	......	49,874
Silbak-Premier w/o.	......	100,000
Net profit	582,820	484,810
Less: Dividends	600,000	600,000
Deficit for year	17,180	115,190
Less: Prev. surp.	249,388	364,578
Surplus forward	232,208	249,388

Earnings per Share and Dividend Record:		
Earned	$0.117	$0.097
Paid	0.12	0.12
No. of Shs. Outstand.	5,000,000	5,000,000

Working Capital		
Current assets	1,187,601	1,077,307
Current liabilities	239,208	237,405
Working capital	948,393	839,902

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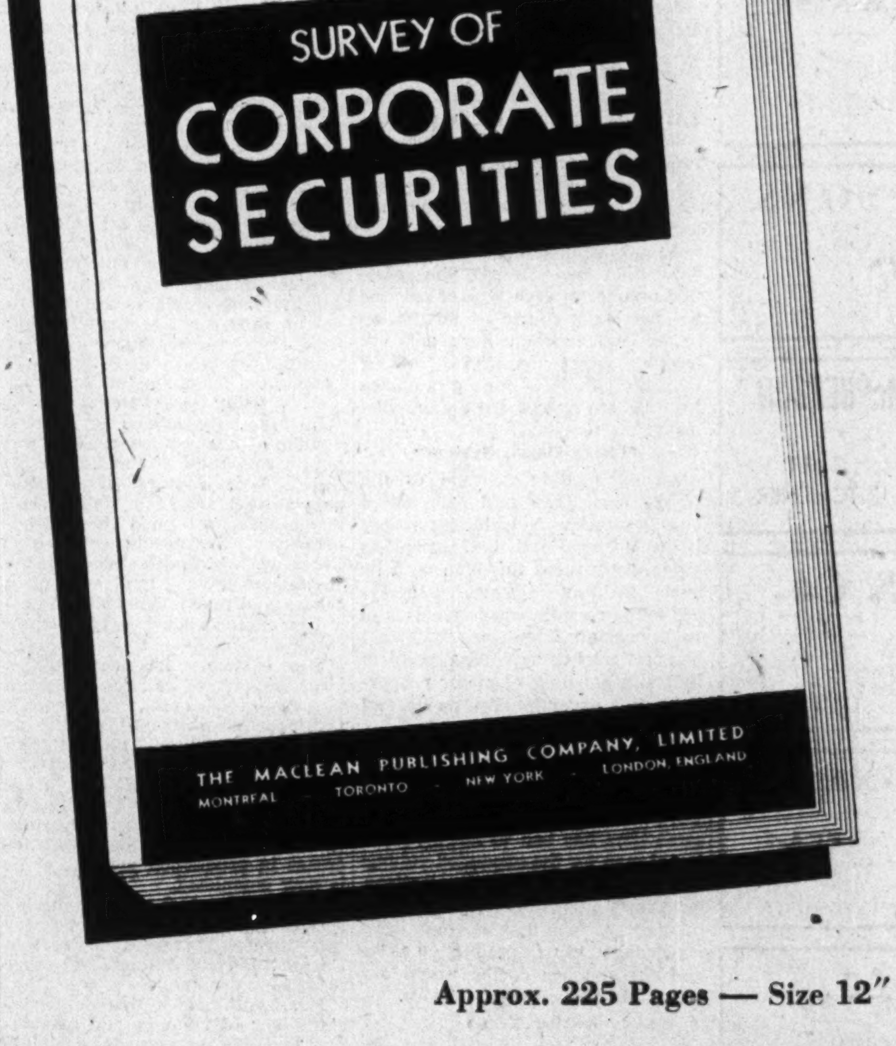
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Preferred recruits for training in Canada's war plants and allied factories are young men who have been given special instruction in technical schools and Government training centres.

"Making" War Workers — VI

Plant Recruits Tailor-Made

Skilled-to-Measure Trainees Swell Ranks of War Labor

This is the sixth of a series of articles on the "making" of new war workers through the training systems developed by employers themselves, in war factories and allied industries.

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Tailor-made recruits, pretrained to fit particular plants and jobs, are being enlisted in growing numbers to speed expansion of Canada's wartime labor army.

Such skilled-to-measure trainees are of increasing importance in creating reserves of new workers. They form a swelling nucleus of custom-cut manpower for the rapidly extending machine of Canadian war industry.

With basic skills built up in advance for the type of work into which they are drafted, these fresh labor forces can be more readily enrolled in the spreading ranks of war factories and allied industries. Their preselection and training for specific requirements enable them to be more rapidly absorbed into active service on the front line of production.

In the majority of cases the tailoring of these reserve workers is not so complete that they can be put immediately into war plant operations. Usually they require extra instruction and experience in the plants where they are hired. But this supplementary polishing-up process is much reduced in time and effort where the new personnel have been prepared to plan for the jobs in prospect.

Executives in many war plants and auxiliary factories have had to draw new employees largely from green recruits, or at best from technical school trainees out of general courses, not specially related to plant requirements. This has meant that industrial plant schools have had to be established to qualify new workers, or some method evolved to "upgrade" them into jobs through production practice or special instruction while at work.

This means of dovetailing novices and partly trained workers into production will undoubtedly continue to a considerable extent. But it should be substantially curtailed by the growing reserves of "trainees-to-order." The increased scope and pace of the Government's war emergency training programme, and increased collaboration between employers and officials, will produce a rising proportion of recruits who have been custom-trained in advance.

Government Plan Grows

An official progress report on the Government training plans shows that since the spring of last year a cumulative total of 34,313 had been given training up to the end of Feb., 1941. This includes army and R.C.A.F. classes as well as industrial classes under the Youth Training and War Emergency Training programmes, but excludes plant schools and training systems. Under the expanded War Emergency scheme in January and February, a total of 15,758 was afforded training in all classes and nearly 2,000 placed in employment from the industrial groups. Those still in training at the end of February numbered 11,423.

An increasing number of graduates from the enlarged training plan will be specially fitted to step into the lines of work and particular plants where they are most needed. The advance survey of the plan not only appraised the total volume and types of labor required, but canvassed employers to learn the particular types of trainees to be called for in coming months.

As far as possible, arrangements have been made to give the specified number of each type of recruits the necessary course of instruction in the centres where the plants are located. Otherwise surplus trainees with the stipulated type of advance training are moved from other districts.

Massey-Harris System

An outstanding example of the bigger war plants that have relied largely on advance training to order is the Massey-Harris Co., which has successfully fused this plan with its own training system. Massey-has taken on tailor-made trainees to an increasing extent, as a vital aid to meet a labor recruiting problem that was not only of major proportions, but exceptionally varied and complex.

This company has not only had to build up new working forces for the four or five different types of war work in various plants, but at the same time has had to recruit additional men for the expanded volume of its diverse regular operations. Of a total payroll of well over 2,000 in the Toronto district, one third are engaged in war production alone and the number of the remainder is notably above pre-war levels.

Varied Needs

Reserve capacity of Massey-Harris plants has been developed for production of several types of artillery shells, truck bodies for military motor transport units, wings for Avro-Anson bombers, and tool and die work for other war industries. This has meant a pressing need for keymen to get war work under way and maintain regular operations at the higher level, as well as for hundreds of rank and file recruits with at least primary training as welders, lathe hands, machine operators, helpers for skilled trades, aircraft woodworkers, etc.

The regular employee training programme of the company, developed in peacetime years, has proved an important asset in developing Massey-Harris war training resources. This basic set-up has been a valuable source of keymen around whom war work personnel was built up, and of additional skilled craftsmen in special trades.

Basic Programme

The normal framework of plant training consists of the factory student course to develop keymen as supervisors, unit superintendents and other junior executive jobs; and the apprenticeship courses to train recruits for the patternmaking and tool-and-die departments. The former system gives trainees experience of several weeks in each department over a period of nine months, and has produced 44 potential keymen in the past five years. It is being continued to meet wartime demands, as is the four-year apprenticeship system for the skilled trades.

In creating the production force for Anson wings, a nucleus was first developed by picking out existing employees with backgrounds of experience in skilled factory work, and farming them out to aircraft plants to learn aircraft production methods. At the same time classes were started in a school near the wing plant, especially in the types of woodworking which enter largely into fabrication of Anson wings.

As fast as trainees in both groups developed into capable men, they were fed into production in the plant. After a short period of final plant training, all stepped into full time operation, and a number were moved up into key positions or jobs requiring special skill. This plan has been operated with increasing momentum over the past year or so.

Use Galt School

Even before the war Massey-Harris drew on the Dominion-Provincial training programme for new workers, in particular taking on welders and machine workers from the Ontario Government training centre at Galt. It was found possible to feed primary trained welders from this school into the company's welding departments with only a few weeks' final instruction and experience, thus stepping up the number of new recruits fully trained by the company itself.

Many of those taken from the Galt school were promising employees or sons of employees picked to take the course.

Work With Government

When the Government training programme was expanded last spring and again later in the year, Massey-Harris was quick to take advantage of this as a source of new workers for its expanding war work, especially in the shell shops. In response to the Government offer to give specialized courses to turn out different types of trainees to order for future requirements, the company completed arrangements with various technical schools and training centres to supply new workers as operations expanded.

Trainees from these special two-month courses have been fed into the ranks of shell shop workers with growing success. They were given brief periods of final training to adapt their basic knowledge of particular types of machines to the single-purpose machines they are employed to operate.

These recruits have not only been youths from the technical schools and elsewhere, but have included many men of more mature years. A number have gone through the war emergency training to refresh or extend their knowledge of machine operation, or to pave the way for changes of occupation made necessary by wartime conditions.

The new war workers developed by these special courses and allied training work have proved capable of handling anywhere from one to four of the 31 different operations involved in shell production. Of the 700-odd workers engaged in the various phases of Massey-Harris war production, a good 60% have been worked into production through the combination of predesigned primary training with final plant instruction.

Including the skilled and experienced men available for hiring in the earlier periods of the war, about 90% of the war supply workers are new employees taken on since the war began.

Imperial Oil Handles 16% More Crude

Last year Imperial Oil Ltd. handled 16% more crude oil in its refineries than in 1939. G. Harrison Smith, president, states that the total of crude oil processed by all refineries in Canada was approximately 13% more than in 1939 and that the consumption of petroleum products in this country last year was the largest ever recorded.

Lower income from subsidiary companies and miscellaneous sources more than offset the rise in net from Canadian refining and marketing operations, however, with the result that the company earned 65.41 cents a share for 1940 compared with 71.38 cents a share for 1939.

Mr. Smith states the cost of crude oil and materials at the company's refineries advanced 51/100 of a cent a gallon last year while the average price realized for products advanced only 44/100 of a cent.

Nearly Double Taxes

The total provision for Canadian taxes on 1940 earnings are up 91.53% over 1939. In addition to taxes on earnings, the company paid other taxes, such as sales and property taxes, totalling $5.6 millions and bringing total tax burden to $13.6 millions. Mr. Smith states the company also collected on behalf of the various provincial governments gasoline taxes totalling $19.2 millions.

Altogether, Imperial Oil appropriated for income taxes, depreciation and inventory reserves the equivalent of 49.59 cents a share in 1940. How these various items compare with the previous year is illustrated in the table at the bottom of page.

Using New Process

In 1940 a new process for the production of high octane gasoline was put in operation at the Sarnia refinery. A development of the company's own research department, this process is termed "High Temperature Suspensoid Catalytic Cracking." Mr. Smith states that the advantages include improvement in octane quality of motor fuel and permit enlarged production of aviation gasoline.

The company has accumulated large reserves of aviation fuels and has placed in operation adequate facilities for increased production of aviation gasoline at its refineries.

Doubles Lubricant Capacity

Toward the end of 1940, steps were taken to enlarge the capacity for manufacturing lubricating oils. This permits a more than 100% increase in production and the work is now completed.

Demand for fuel oils for marine service and manufacturing industry was greatly increased in eastern Canada. Industrial lubricants were in greater demand.

Mr. Smith states that large installations of refinery and marketing tankage were made available for war purposes and new tankage was installed at various Canadian points and Newfoundland.

He reports that in December last year cargoes of South American crude began to move to Marcus Hook, Penn. From here the oil travels 671 miles by pipe line to the Sarnia refinery. This operation will afford the company's subsidiaries an outlet for approximately 3,650,000 barrels of crude oil annually.

Last year's total production of crude oil in Turner Valley was 8.5 million barrels compared with 7.6 million barrels in the previous year. A total operated production of Imperial Oil's subsidiaries was 2.8 million barrels and the net amount accruing to these subsidiaries was 1.8 million. In addition to its own production, the company purchased 4.5 million barrels of Turner Valley crude oil and naphtha of which 1.4 million barrels were sold to other refineries. A further 1.7 million barrels was handled for the account of other interests.

Although total production of Turner Valley oil last summer fell short of the market needs, Imperial Oil was able to continue operation of its own refineries at Calgary and Regina on Turner Valley crude and also to release some oil for other refineries.

Aid Turner Valley

Regarding this year's position in the West, Mr. Smith says:

"It is believed that recurrence of a shortage of Turner Valley oil for the Prairies has been as fully as possible provided against by the Oil Controller for Canada who arranged for increased storage facilities which will be filled during the seasons of low consumption, thus averting extreme fluctuation in production. This, it is expected, will result not only in a larger production of oil over the year but in a more efficient and economic operation with consequently longer life and greater ultimate recovery from the field."

Subsidiaries of Imperial Oil had a participating interest in 13 out of the total of 36 producing wells completed in Turner Valley last year. When the year ended, the company's subsidiaries and affiliates owned or had a participating interest in 44 crude oil wells and 82 gas wells in Turner Valley.

Another producing well was completed last year at Norman Wells near Fort Norman. Markets in this district were adversely affected by war conditions.

South American Exports Up

Imperial Oil subsidiaries in South America exported 31.3 million barrels of crude oil last year compared with 27.8 million barrels in 1939. In refineries at Talara, Peru, and Barranca-Bermeja, Colombia, just over 9 million barrels of crude oil were processed as compared with 9.5 million barrels during 1939. Total company production in South America, including its interest in the Mene Grande production in Venezuela, was 39.7 million barrels as compared with just over 39 million barrels in 1939.

No change took place in the fleet of Imperial Shipping Co., a subsidiary, which comprised 23 vessels of 159,152 dead weight tons at the end of 1940. Last year this fleet transported 38.4 million barrels of crude oil and products as compared with 37.7 million barrels in 1939.

Details of the financial statements appear elsewhere in The Financial Post.

	1940		1939	
	Amount $	Per Share c.	Amount $	Per Share c.
Provision for Canadian taxes on earnings from Canadian refining and marketing operations	4,756,288	17.64	2,076,201	7.70
Provision for Canadian taxes on income from other sources including income from subsidiaries	3,206,704	11.89	2,081,384	7.72
Total provision for Canadian taxes on earnings in Canada and elsewhere	7,962,992	29.53	4,157,585	15.42
Provision for depreciation	3,940,991	14.62	3,875,368	14.37
Provision for future shrinkage of inventory values from present abnormally high costs caused by war conditions	1,467,989	5.44	1,254,110	4.65
Total	13,371,972	49.59	9,287,043	34.44

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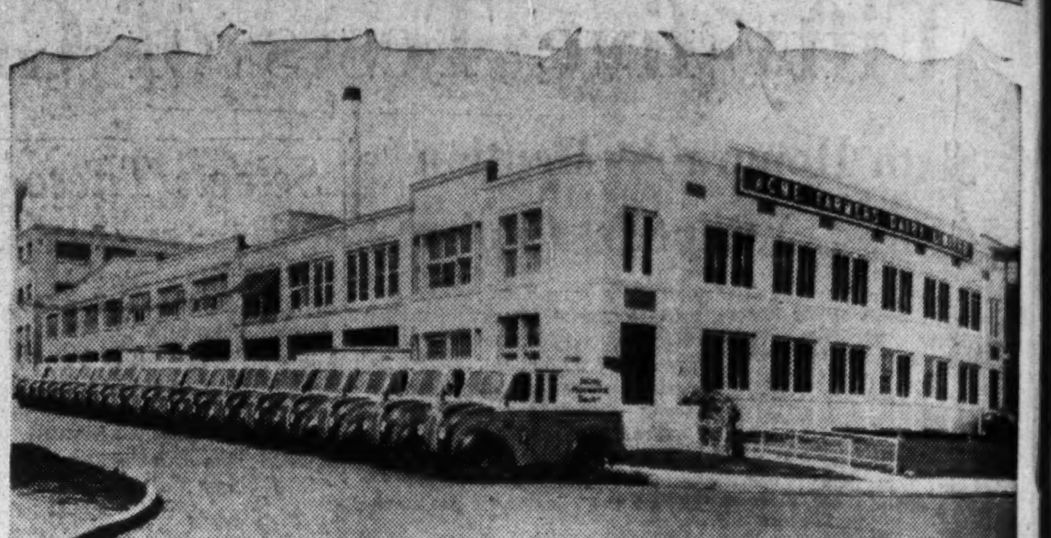

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